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IN THE

# Supreme Court of The United States

October Term, ~~1949~~ 1950 1951

NO. ~~44~~ X  
1

GEORGIA RAILROAD & BANKING CO.,  
*Appellant*

vs.

CHARLES D. REDWINE, State Revenue Commissioner,  
*Appellee*

BRIEF FOR APPELLANT

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# INDEX

	Page
OPINION OF COURT BELOW	1
JURISDICTION OF THE SUPREME COURT	1
STATEMENT OF THE CASE	2
The Charter Contract	2
Prior Litigation	2
Present Proceedings	3
Judgment of District Court	4
SPECIFICATION OF ERRORS	4
SUMMARY ARGUMENT	5
BRIEF OF LAW AND ARGUMENT	6
Action is Not Against the State	6
14th Amendment Requires Some Defensive Remedy	9
Court Can Enforce Its Own Final Decree and Injunction	10
(a) If prior action was against State	10
(b) If prior action not originally against State	12
Prior Decree Concludes All Questions Raised	19
Prior Decision Right on Merits	21
CONCLUSION	21
APPELLEE'S CONTENTIONS	21
1. That Suit Was Against State	22
2. That Musgrove Case Is Conclusive	22
3. That Appellant Waived the Prior Final Decree	25
4. That there were Defenses not raised in Prior Proceeding	25
(a) Failure to build all lines authorized	25
(b) Failure of Caption of Act to set out provision as to Taxation	29
(c) Atlanta Branch	30
(d) Charter as Contract	31
(e) Concluded by Prior Decree	31

## INDEX—Continued

	Page
5. That Johnson Act Withdrew Jurisdiction	31
No plain remedy	32
(1) Affidavit of illegality	33
(a) Repealed	33
(b) Never available	35
(c) Not efficient	36
(2) Appeal	37
(3) Suit for Injunction	37
(4) Right to pay and sue to recover	38
Johnson Act Does Not Apply to Enforcing Injunction	
✓ Already Issued	38

# APPENDIX

	Page
APPENDIX	i
Statutes of Georgia Cited	i
I. Charter of Georgia Railroad & Banking Co., and Amendments Thereto	i
(1) Act approved December 21, 1833, Georgia Laws of 1833, p. 256	i
(2) Act approved December 18, 1835, Georgia Laws of 1835, p. 180	x
(3) Act approved December 25, 1837, Georgia Laws 1837, p. 212	xv
(4) Act approved December 20, 1849, Georgia Laws 1849, p. 239	xvii
(5) Act approved December 11, 1858, Georgia Laws 1858, p. 66	xvii
(6) Act approved October 5, 1868, Georgia Laws 1868, p. 147	xviii
II. Laws providing for the taxation of railroads and remedies of taxpayer	xix
(1) Act approved February 1, 1850, Georgia Laws 1849, p. 378	xix
(2) Act approved February 28, 1874, Georgia Laws, p. 107, as amended and now codified in Code Sections 92-2602, 92-2603 and 92-2604	xx
(3) Act approved February 22, 1877, Georgia Laws 1877, p. 126, as amended and now codified in Sections 92-5904, 92-6001 and 92-6002 of the Georgia Code of 1933	xxi
(4) Act approved October 16, 1889, Georgia Laws 1889, p. 29, now codified in Code Sections 92-2701, 92-2702, 92-2703, 92-2704, 92-2705, 92-2706	xxii



# APPENDIX—Continued

Page

(5) Act approved December 24, 1890, Georgia Laws 1890-1891, p. 152, codified in Code Sections 92-2801, 92-2802 and 92-2804

xxv

(6) Act approved August 14, 1908, now codified in Sec. 92-6005, Code of 1933

xxv

(7) Act approved July 31, 1918, now codified in Chapter 92-61 of the Code of 1933

xxvi

(8) Act approved August 25, 1927, Georgia Laws 1927, p. 97, now codified in Sec. 92-5902 of the Code of 1933

xxvii

(9) Act approved March 30, 1937, Georgia Laws 1937, p. 497, codified in Sec. 92-5811 of the Code of 1933

xxvii

(10) Reorganization Act approved January 3, 1938, Georgia Laws Extra Session 1937-1938, p. 77

xxviii

(11) Act approved February 17, 1943, Georgia Laws 1943, p. 204

xxxi

III. Constitution provision attempting to revoke tax exemptions

xxxiv

(1) Article I, Section 3, Paragraph II of the Constitution of Georgia as amended in 1945, Georgia Laws 1945, p. 14

xxxiv

IV. Constitutional and statutory provision authorizing Attorney General to represent State in prior litigation, as set out in Georgia Code of 1895

xxxiv

(1) Constitution of Georgia of 1877, Article VII, Section 10, Paragraph II, Code Sec. 5860 (a)

xxxiv

(2) Code provisions, Georgia Code of 1895

xxxv

# LIST OF AUTHORITIES CITED

Cases:

Page

Alexander v. State, 56 Ga. 479	15
Allen v. B & O Railroad, 114 U. S. 311	6, 8, 22
Atlantic Coast Line v. Daughton, 262 U. S. 418	32
In Re Ayers, 123 U. S. 443	8
Board of Liquidation v. McComb, 92 U. S. 531	6
Central of Georgia Railroad v. Wright, 207 U. S. 127	10
Chicot County Drainage Dist. v. Baxter State Bank, 308 U. S. 371	11, 25
Clark v. Barnard, 108 U. S. 436	11
Coleman v. Fields, 142 Ga. 205	21
Columbus Mutual Life Ins. Co. v. Gullatt, 189 Ga. 747	34, 37
Commissioner v. Sunnen, 333 U. S. 591, 602	24
Corporation Commission v. Carey, 296 U. S. 452	32
Crucia v. Behrman, 147 La. 144, 84 Sou. 525	19
Deposit Bank v. Frankfort, 191 U. S. 499	20
Dodge v. Woolsey, 18 Howard 331	7
Dowell v. Applegate, 152 U. S. 327	11
Drummond v. United States, 324 U. S. 316, 318	13
Florida State Hospital v. Durham Iron Co., 192 Ga. 459, 464	24
Forrester v. Pullman Co., 66 Ga. App. 745	34
Forrester v. Pullman Co., 192 Ga. 221	34
Gardner v. New Jersey, 329 U. S. 565	11
Georgia Railroad & Banking Co. v. Musgrove, 335 U. S. 900	23

# LIST OF AUTHORITIES CITED—Continued

	Page
Georgia Railroad & Banking Co. v. Wright, 132 Fed. 912	3
Goldsmith v. Georgia Railroad Co., 62 Ga. 485	29, 35
Goldsmith v. Rome Railroad Co., 62 Ga. 473	29
Graves v. Texas Co., 298 U. S. 393	36
Gunter v. Atlantic Coast Line Railroad, 200 U. S. 273	6, 11, 12, 20, 25, 38
Harrison v. St. Louis & San Francisco Railroad, 232 U. S. 318, 328	23
Hart v. Atlanta Terminal Co., 128 Ga. 754	15
Hillsboro v. Cromwell, 326 U. S. 620	32
Humphrey v. Pegues, 16 Wall 244	7
Illinois Trust & Savings Bank v. Doud, 105 Fed. 123 (C.C.A.8)	26
Larson v. Domestic & Foreign Commerce Corp., 337 U. S. 682	7
Lipke v. Lederer, 259 U. S. 557	10
Looney v. Crane Co., 245 U. S. 178	6
Louisville & Nashville Railroad Co. v. Wright, 199 Fed. 454	18
Mayo v. Renfroe, 66 Ga. 408	15, 16
Michels v. Olmstead, 157 U. S. 198	23
Musgrove v. Georgia Railroad & Banking Co., 204 Ga. 139	22, 32, 37
New Orleans v. Citizens Bank, 167 U. S. 371	18, 20
People v. Board of Review, 352 Ill. 157, 185 N. E. 248	19
Powers v. Detroit & Grand Haven Railway, 201 U. S. 543	7
Railroad Co. v. Chamberlain, 6 Wall 748	38

# LIST OF AUTHORITIES CITED—Continued

	Page
Regal Drug Corp. v. Waddell, 260 U. S. 386	10
Risty v. Chicago R.I.P. Railroad, 270 U. S. 378	37
Safeway Stores v. Porter, 154 F. (2d) 656	19
Souffront v. Campagne des Secrerries, 217 U. S. 475, 487	13
Spector Motor Co. v. McLaughlin, 323 U. S. 101	32
State of Georgia v. Georgia Railroad & Banking Co., 54 Ga. 423	2, 30
Sunshine Coal Co. v. Adkins, 310 U. S. 381	19
Tait v. Western Maryland Railway Co., 289 U. S. 620	19
Thompson v. Continental Gin Co., 73 Ga. App. 694	11
Tomlinson v. Branch, 15 Wall 460	7
Trust Company of Georgia v. Georgia, 109 Ga. 736	15
Turner v. Wade, 254 U. S. 64	10
Union Pacific Railroad v. Weld County, 247 U. S. 282	36
U. S. v. Willard Tablet Co., 141 F. (2d) 141	19
Wright v. Central of Georgia Railroad, 236 U. S. 674	7
Wright v. Georgia Railroad & Banking Co., 216 U. S. 420	3, 7, 20, 21, 31
Wright v. L & N Railroad Co., 236 U. S. 687	3, 7, 18
Wright v. Sill, 2 Black 544	7
Wright v. Southwestern RR Co., 64 Ga. 783, 793	36, 37

## *Constitutions Cited:*

Constitution of the United States

Article I, Sec. 10

2, 4

Amendment XIV

4, 5, 9



# LIST OF AUTHORITIES CITED—Continued

Page

## Constitution of Georgia

As Amended 1945, Art. I, Sec. 3, Par. II (App. xxiv)	3
Of 1877, Art. VII, Sec. 10, Par. II (App. xxxiv)	

## Statutes Cited:

Title 28, U. S. Code, Sec. 1341	31
Title 28, U. S. Code, Sec. 2281	1

## Georgia Code of 1933,

Sec. 92-2602 (App. xx)	33, 35
92-2603 (App. xx)	33
92-2604 (App. xx)	33, 35
92-2701 (App. xxii)	33
92-2702 (App. xxiii)	33
92-2703 (App. xxiii)	33
92-2704 (App. xxiv)	33
92-2705 (App. xxiv)	33
92-2706 (App. xxiv)	33, 36
92-2801 (App. xxv)	33
92-2802 (App. xxv)	33
92-2804 (App. xxv)	33
92-5811 (App. xxvii)	
92-5902 (App. xxvii)	
92-5904 (App. xxi)	
92-6001 (App. xxii)	
92-6002 (App. xxii)	

# LIST OF AUTHORITIES CITED—Continued

	Page
92-6005 (App. xxv)	
92-6101 (App. xxvi)	33
92-6102 (App. xxvi)	33
92-6103 (App. xxvi)	33
92-6104 (App. xxvii)	33
Georgia Code of 1895	13
Sec. 23 (App. xxxv)	14, 15
123 (App. xxxv)	
126 (App. xxxv)	
137 (App. xxxv)	
139 (App. xxxvi)	
220 (App. xxxv)	14, 15
222 (App. xxxvi)	14

## Georgia Statutes Cited:

Act of December 21, 1833 (App. i)	2, 26
Act of December 18, 1835 (App. x)	27
Act of December 25, 1837 (App. xv)	28, 30
Act of December 20, 1849 (App. xvii)	
Act of February 1, 1850 (App. xix)	28
Act of December 11, 1858 (App. xvii)	28
Act of October 5, 1868 (App. xviii)	28
Act of February 28, 1874 (App. xx)	33, 35
Act of February 22, 1877 (App. xxi)	
Act of October 16, 1889 (App. xxii)	33, 36

**LIST OF AUTHORITIES CITED—Continued**

	<i>Page</i>
Act of December 24, 1890 (App. xxv)	33
Act of August 14, 1908 (App. xxv)	
Act of July 31, 1918 (App. xxvi)	33, 35
Act of August 25, 1927 (App. xxvii)	
Act of March 30, 1937 (App. xxvii)	
Act of January 3, 1938 (App. xxviii)	34, 35, 37, 38
Act of February 17, 1943 (App. xxxi)	34, 35, 37

IN THE  
**Supreme Court of The United States**

October Term, 1949

NO. 454

GEORGIA RAILROAD & BANKING CO.,  
*Appellant*

VS.

CHARLES D. REDWINE, State Revenue Commissioner,  
*Appellee*

**BRIEF FOR APPELLANT**

**OPINION OF COURT BELOW**

The opinion of the District Court is reported in 85 Federal Supplement 749.

**JURISDICTION OF THE SUPREME COURT**

The jurisdiction of the Supreme Court is invoked under Title 28, U. S. Code, Sec. 1253, which provides for direct appeal to the Supreme Court from any action required to be heard and determined by a District Court of three judges. The action is to enjoin the State Revenue Commissioner from collecting a tax from appellant on the grounds that the state statute under which such a tax is imposed is contrary to the Constitution of the United States. Such action is required, by Title 28 U. S. Code, Sec. 2281, to be heard and determined by a District Court of three judges, and was in fact heard and determined by a District Court of three judges. Probable jurisdiction was noted Dec. 5, 1949 (R. 195).



## STATEMENT OF THE CASE

### *The Charter Contract.*

Appellant was chartered by special act of the legislature of Georgia approved December 21, 1833 (Georgia Laws, 1833, page 256 et seq. app. i). Said Act provided:

"The stock of said company and its branches shall be exempt from taxation for and during the term of seven years from and after completion of said railroads or any one of them; and after that shall be subject to tax not exceeding one-half percent per annum on the net proceeds of their investment." (app. vi)

### *Prior litigation.*

In 1874 the legislature of Georgia passed an act levying ad valorem taxes on railroads. Appellant resisted the tax. The Supreme Court of Georgia, in *State of Georgia v. Georgia Railroad & Banking Co.*, 54 Ga. 423, held that the above provision was an irrevocable contract exempting the property of the railroad from tax except as provided therein, and that the Act of 1874, as applied against appellant, was unconstitutional and void as impairing the obligation of that contract, contrary to Art. I, Section 10, of the Constitution of the United States.

No further effort was made to tax the property of the railroad until 1902 when the State of Georgia, acting through its Comptroller General, again attempted to levy a tax on the property of appellant. Appellant then brought suit in equity in the Circuit Court for the Northern District of Georgia against William A. Wright, Comptroller General of Georgia.

That action was defended by the Attorney General of Georgia with the approval and direction of the Governor. The Attorney General not only resisted the injunction but affirmatively asked the court to consider and decide the questions involved in order that the defendant as an official of the State of Georgia might know and perform his official duty. (R. 79, 83)

The Court, after hearing, held that the charter provision was an irrevocable contract preventing the taxation of the property of Appellant except as therein provided and entered a decree permanently enjoining the defendant from levying and collecting any tax against the property described in the decree except as provided in the charter (R. 84).

*Georgia Railroad & Banking Co. v. Wright,*  
132 Fed. 912.

On appeal, this Court modified the decree by striking therefrom certain property which had been acquired by the railroad in a subsequent merger and affirmed the decree as so modified. (R. 131)

*Wright v. Georgia Railroad & Banking Co.,*  
216 U. S. 420.

The state then attempted to levy a tax against the property in the hands of the lessees. That attempt was also enjoined; and this Court, on appeal, affirmed.

*Wright v. Louisville & Nashville Railroad Co.,*  
236 U. S. 687.

#### *Present proceedings.*

Thereafter, no effort was made to tax the railroad until 1945. At that time the State of Georgia adopted an amendment to its constitution providing:

"All exemptions from taxation heretofore granted in corporate charters are declared to be henceforth null and void."  
(App. xxxiv)

Acting under authority of that section, appellee, State Revenue Commissioner, threatened to levy and collect taxes against the property of Appellant from 1939 to date. Appellant thereupon brought this proceeding in the District Court to temporarily and permanently enjoin appellee, as a wrongdoer, from levying and collecting any taxes on the property of appellant contrary to the provision in its charter, on the grounds

that the above quoted provision of the Constitution of Georgia, and the statutes of Georgia under which appellee purported to be acting, were unconstitutional and void in that they sought to impair the obligation of the contract contrary to Sec. 10 of Article I of the Constitution of the United States, and were contrary to the Fourteenth Amendment to the Constitution. Appellant further prayed that the prior decree and permanent injunction of that Court, as modified and affirmed by this Court, be carried out and enforced. (R. 1)

A three-judge court was convened as provided in Sec. 2281 and Sec. 2284 of the Judicial Code. Defendant filed motion to dismiss. (R. 9, 15) Plaintiff filed motion for judgment on the pleadings, or for summary judgment; or in the alternative for an interlocutory injunction. (R. 161)

#### *Judgment of District Court.*

The three-judge court, after argument, sustained the motion to dismiss on the ground that the action was against the State of Georgia, within the prohibition of the 11th Amendment of the Constitution of the United States. (R. 170) One Judge dissented on the grounds that the Court had jurisdiction to enforce its prior decree and that all questions presented were precluded by the prior decree. (R. 180)

#### **SPECIFICATION OF ERRORS**

The court below erred in dismissing the petition, and in not entering a summary judgment or a judgment on the pleadings in favor of appellant, for the reasons that (a) the action was not against the state, (b) the court had jurisdiction to enforce its prior final decree and permanent injunction affirmed by this Court, (c) appellee was concluded by the prior final decree affirmed by this Court, (d) the taxes sought to be collected and the statutes under which they were imposed are contrary to Sec. 10 of Article I of the Constitution of the United States in that they would impair the obligation of the contract, and (e) the dismissal of the complaint, unless reversed, will result



in appellant's being deprived of its property without any opportunity for a hearing and without due process of law, contrary to the Fourteenth Amendment to the Constitution of the United States, as is more fully set out in the assignments of error 1 through 9 (R. 191).

### SUMMARY OF ARGUMENT

An action to enjoin the collection of a state tax on the grounds that the law of the state under which the tax is levied is contrary to the Constitution of the United States is not an action against the state within the meaning of the Eleventh Amendment. This Court has repeatedly so held. This court has so held in the precise situation here presented, that is, in an action to enjoin the tax on the grounds that the law levying the tax impairs a contract of the state contrary to the Constitution of the United States.

If this action were against the state, then the prior action would have been equally against the state, for both are in the same form and pray the same relief. If so, Appellee is bound by the existing permanent injunction, affirmed by this Court; and the District Court has jurisdiction to enforce its injunction against Appellee. A state and its officials cannot violate or ignore the permanent injunction of a Federal Court on the grounds that they might have pleaded the immunity of the State to suit in the proceeding in which the injunction was issued. Immunity from suit is a personal privilege which may be waived, and is waived by litigating the matter to final decree without objection. The final decree adjudicates that the court had jurisdiction, just as it adjudicates every other question necessary to the rendition of the decree.

Even though the prior action was not against the state, Appellee is bound by the prior decree because the state, through its duly authorized officer, not only defended the prior action but affirmatively asked the court to take jurisdiction and decide the question in order that the state officials might know their duty and the state might receive the taxes due it. A person not



a party to an action who employs counsel and undertakes the defense is bound by the decree as fully and to the same extent as if he were a party. This principle applies equally to the sovereign.

Appellee is bound by the prior decree not only in regard to the questions actually decided, but also as to all questions that could have been put in issue and decided.

Even if Appellee were not bound by the prior decree, the prior decision of this Court is right and should be followed.

Therefore, the District Court should have not only overruled the motion to dismiss, but should have granted Appellant's motion for a summary judgment or a judgment on the pleadings.

### BRIEF OF LAW AND ARGUMENT

#### *Action Is Not Against the State.*

This Court has repeatedly held that an action to enjoin state officials from collecting a tax on the grounds that the tax is contrary to the Constitution of the United States is not an action against the state within the meaning of the eleventh amendment.

*Looney v. Crane Co.,*

245 U. S. 178, and cases there cited

This Court has held specifically that the action is not against the state where the injunction is sought on the grounds that the threatened action would impair the obligation of a contract to which the state is a party.

*Allen v. B & O Railroad,*

114 U. S. 311.

*Gunter v. Atlantic Coast Line R. R.,*

200 U. S. 273.

*Board of Liquidation v. McComb,*

92 U. S. 531.

This Court has in many other cases affirmed injunctions against state officials enjoining them from collecting taxes from a railroad company on the grounds that such action would impair a contract of exemption entered into by the state, both the parties and the court considering the question too well settled to require discussion.

*Wright v. Georgia Railroad & Banking Co.,*  
216 U. S. 420.

*Wright v. L & N Railroad,*  
236 U. S. 687.

*Wright v. Central of Georgia Railroad,*  
236 U. S. 674.

*Powers v. Detroit & Grand Haven Railway,*  
201 U. S. 543.

*Wright v. Sills,*  
2 Black 544.

*Humphrey v. Pegues,*  
16 Wall 244.

*Tomlinson v. Branch,*  
15 Wall 460.

*Dodge v. Woolsey,*  
18 Howard 331.

This Court has recently, in *Larson v. Domestic and Foreign Commerce Corp.*, 337 U. S. 682, reviewed the cases and restated the rule in regard to suits against the sovereign (p. 689):

"... where the officers' powers are limited by statute, his actions beyond those limitations are considered individual and not sovereign actions. The officer is not doing the business which the sovereign has empowered him to do. Or he is doing it in a way which the sovereign has forbidden. His actions are ultra vires his authority and, therefore, may be made the object of specific relief ...

"A second type of case is that in which the statute or order conferring power upon the officer to take action in the sovereign's name is claimed to be unconstitutional. Actions for habeas corpus against the warden and injunctions against the threatened enforcement of unconstitutional statutes are familiar examples of this type. Here, too, the conduct against which specific relief is sought is beyond the officer's power and is, therefore, not the conduct of the sovereign. The only difference is that in this case the power has been conferred in form but the grant is lacking in substance because of its constitutional invalidity.

"... The action of an officer of a sovereign (be it holding, taking or otherwise legally affecting the plaintiff's property) can be regarded as so 'illegal' as to permit a suit for specific relief against the officer as an individual only if it is not within the officer's statutory power or, if within those powers, only if the powers, or their exercise in the particular case, are constitutionally void."

The rule laid down by this Court in the *Larson* case is well illustrated by a comparison of *Allen v. B & O Railroad Co.*, 114 U. S. 311, and *In re Ayers*, 123 U. S. 443; both opinions written by the same Justice and involving the same contract.

In the *Allen* case the State of Virginia had issued bonds providing that coupons would be receivable in payment of all taxes. Subsequently the state attempted to repudiate its contract. The railroad had tendered coupons in payment of tax. Notwithstanding the tender, and in violation of the contract, the state official attempted to enforce the taxes. The railroad brought action in the federal court to enjoin the collection of the taxes. This Court held that the action was not against the state and that the injunction was properly granted.

In the *Ayers* case, the State of Virginia had passed a law directing the Attorney General to bring action in the State Court against taxpayers who had tendered the coupon in payment of taxes to recover such taxes and to require the taxpayers

in such cases to prove that the coupons were genuine and not spurious. The plaintiff in that case was a resident of England who had bought coupons for resale at a profit. No effort had been made to collect any taxes from him or to disturb his property in any way. He brought an action in the federal court, alleging that the action of the Attorney General made his coupons less desirable and depreciated their value, and praying that the Attorney General be enjoined from institution any action in the name of the State of Virginia and be required to dismiss such actions which he had already brought. Clearly that suit sought to control the action of the Attorney General in his official capacity and not as an individual acting beyond his authority. Bringing or dismissing an action in the name of the state was, of course, an official act within the scope of his authority, whether such actions were well founded or not. Indeed, he could not dismiss an action brought in the name of the state except in his official capacity as representative of the state. This Court, therefore, held that the action was in effect against the state and could not be maintained.

This action clearly falls within the ambit of the *Allen, Gunter* and similar cases. Appellant does not ask that appellee be required to do any act in his official capacity. It does not seek to impair or interfere with any funds or property of the state. It merely prays that appellee be enjoined from seizing the property of appellant under a state statute which is, as to appellant, clearly unconstitutional. Since the state statute purporting to authorize appellee to seize appellant's property is unconstitutional, appellee has not been validly authorized by the State of Georgia to seize appellant's property and appellee is, therefore, acting as an individual wrongdoer and not as a representative of the state in such threatened seizure.

#### *14th Amendment Requires Some Defensive Remedy.*

Moreover, the 14th amendment to the Constitution of the United States imperatively requires that somewhere, sometime appellant be given a hearing on whether its property is subject



to seizure for the claimed taxes. This Court has said that "the assessment of a tax is action judicial in its nature, requiring for the legal exertion of the power such opportunity to appear and be heard as the circumstances of the case require" and "that due process of law requires that after such notice as may be appropriate, the taxpayer have opportunity to be heard as to the validity of the tax", and that if the state law does not otherwise grant a remedy for contesting the tax, the constitution requires that the taxpayer have the right to enjoin state taxing officials from assessing and collecting the tax.

*Central of Georgia Railroad v. Wright,*  
207 U. S. 127.

*Turner v. Wade,*  
254 U. S. 64.

*Lipke v. Lederer,*  
259 U. S. 557.

*Regal Drug Corp. v. Waddell,*  
260 U. S. 386.

As pointed out more in detail later in this brief (page 33), appellant does not have any remedy or opportunity for hearing under the law of Georgia. If the dismissal of this action is affirmed, appellant will be deprived of its property without any opportunity anywhere for a hearing on the legality of such seizure. As this Court held in the above cases, such procedure does not afford due process of law, and should be enjoined on that ground alone.

*Court Can Enforce Its Own  
Final Decree and Injunction.*

*(a) If prior action was against state.*

Moreover, if this action is against the state, the prior final decree and permanent injunction, affirmed by this Court, is equally against the State; and the court has ancillary jurisdiction to enforce that injunction.

A state cannot participate in litigation, taking its chances of winning, and then after final decree, affirmed by this Court, ignore the permanent injunction on the ground that the action was against the state. That is particularly true where, as here, the state, through its duly authorized officers, not only defended the action but affirmatively asked the court to take jurisdiction and decide all of the questions presented in order that the state officials might know and enforce their duty and in order that the state might collect taxes legally owing to it. Immunity from suit is a personal privilege which may be waived, and is waived, by such conduct.

*Gunter v. Atlantic Coast Line,*  
200 U. S. 273.

*Gardner v. New Jersey,*  
329 U. S. 565.

*Clark v. Barnard,*  
108 U. S. 436.

The final decree of a federal court conclusively adjudicates that the court has jurisdiction, just as it concludes every other question necessary to the decree, even though the lack of jurisdiction appears on the face of the record.

*Chicot County Drainage District v. Baxter State Bank,*  
308 U. S. 371.

*Dowell v. Applegate,*  
152 U. S. 327.

*Thompson v. Continental Gin Co.,*  
73 Ga. App. 694.

The District Court in this respect was utterly inconsistent. It held that this action could not proceed because it was against the State of Georgia. At the same time, it held that the state was not bound by the prior final decree and permanent injunction because that action, in the same form as this, was against Wright in his individual capacity and not against the State of Georgia.

(b) *If prior action not originally against state.*

Moreover, as this Court specifically held in the *Gunter* case (200 U. S. 273), a state and its subsequent subordinate officials may be bound and concluded by a judgment against a state official, and the court has ancillary jurisdiction to enforce such judgment against such subsequent officials, even though the prior action was originally against the official in his individual capacity, if the state through its duly authorized officials undertook the defense of the prior action.

*Gunter v. Atlantic Coast Line Railroad,*  
200 U. S. 273.

In that case a stockholder of the railroad had previously brought suit in the federal court to enjoin a County Treasurer from collecting tax from the railroad on the ground that the property was exempt from tax under a contractual exemption in its charter. The Attorney General of South Carolina, as authorized by South Carolina law, undertook the defense of the suit. A final decree and injunction was entered. Some thirty years later the State of South Carolina passed a law requiring the property to be taxed and directing the Attorney General to bring action to enforce the tax. The railroad then filed ancillary proceedings in the same cause asking the court to enforce its prior decree by restraining the Attorney General from prosecuting the action. The court did enjoin the Attorney General and this Court affirmed, holding: (1) that since the state, through its duly authorized officer, had undertaken the defense of the prior action, it and its subsequent subordinate officials were bound by the prior decree and injunction; (2) that the District Court, therefore, had ancillary jurisdiction to enforce that decree and injunction against the state and against all subsequent officials of the state, and (3) that the prior decree conclusively adjudicated that the contract of exemption was valid, not only as against all objections there urged, but as against all objections that could have been there urged.

This is but an application of the settled principle that a

judgment is binding not only as against parties to the record but also against any person interested who employs counsel or otherwise openly defends the action.

"One who prosecutes or defends a suit in the name of another to establish and protect his own right, or who assists in the prosecution or defense of an action in aid of some interest of his own, and who does this openly to the knowledge of the opposing party, is as much bound by the judgment and as fully entitled to avail himself of it as an estoppel against the adverse party as he would be if he had been a party to the record."

*Souffront v. Campagne des Secreries,*  
217 U. S. 475, 487.

This principle is equally as applicable to the sovereign.

"If the United States in fact employs counsel to represent interest in a litigation or otherwise actively aids in its conduct, it is properly enough deemed to be a party and not a stranger to the litigation and bound by its result."

*Drummond v. United States,*  
324 U. S. 316, 318.

The District Court in its opinion distinguishes the *Gunter* case on the grounds that the Attorney General of Georgia was not authorized to represent Wright in the prior action or to file answers in his behalf, but exceeded his authority. This requires a consideration of the provisions of the laws of Georgia then in force. These are set out in the appendix, page xxxiv et seq.

The Code of 1895, then in force, provided:

"It is in the discretion of the Comptroller General to require the Attorney General, when the services of a Solicitor General are necessary in collecting or securing any claim of the State, in any part of the State; either to command the



services of said Attorney General in any and all such cases, or the Solicitor Generals in their respective circuits."

*Sec. 222, Code of 1895.*

"It shall be the duty of the Attorney General . . . to represent the State . . . in all civil and criminal cases in any court when required by the Governor."

*Sec. 220, Code of 1895.*

"When any suit is instituted against the State or against any person, in the result of which the State has an interest under pretense of any claim inconsistent with its sovereignty, jurisdiction or right, the Governor shall, in his discretion, provide for the defense of such suit unless otherwise specially provided for."

*Sec. 23, Code of 1895.*

Sec. 222 quoted above clearly authorized the Comptroller General to call on the Attorney General in any case where his services were necessary in securing any claim of the State. Obviously the services of an attorney were necessary to secure the claims of the State in the prior litigation, and obviously the Comptroller General called on the Attorney General to defend the action, for the Attorney General, in his official capacity, acknowledged service (R. 41) and filed answers for the Comptroller General. (R. 75, 81)

His answer not only defends Wright personally, but affirmatively "prays the court, since it now has jurisdiction of this entire case, in order that respondent may properly exercise his duties in the premises as Comptroller General, that this court will construe Section 15 of the charter of complaint, or so much thereof as relate to subject of taxation," (R. 80) and further "that said Section should be construed, and if found to protect any of the present property of complainant from proper taxation, defendant should be adjudged free to assess and tax such property and values as are not so protected from year to year under machinery as is by law provided." (R. 83)

Moreover, Sec. 23 quoted above made it the imperative duty of the Governor, when any suit was instituted against any person, in the results of which the State had an interest, to provide for the proper defense of such suit; and Sec. 220 made it the duty of the Attorney General to represent the State in any case in any court when required by the Governor. It was, therefore, the imperative duty of the Governor to see that the Attorney General defended that case on behalf of the State.

It will be presumed that the Governor did his duty and that the Attorney General, when he filed answer in his official capacity, was duly authorized to do so.

*Alexander v. State,*  
56 Ga. 479

And the Georgia Courts have held that when an action is defended by the Attorney General, the state in effect becomes a party.

*Mayo v. Renfroe,*  
66 Ga. 408.

*Hart v. Atlanta Terminal Co.,*  
128 Ga. 754.

*Trust Co. of Ga. v. Georgia,*  
109 Ga. 736.

In the *Mayo* case the plaintiff brought suit to enjoin the sheriff from collecting an execution issued by the Governor for money due the state. The action was defended by the Attorney General. The objection was made that the state or the Governor was an indispensable party. The court held that since the action was defended by the Attorney General, the state was in effect a party.

"Besides it is made his [the Governor's] duty to defend suits against any person where the state is interested. Code Sec. 22, 74; and this has been done in this case—the attorney general filed the demurrer for the sheriff, and the gover-

nor is in through his legal adviser and representative for all practical purposes, and in the only way in which he could well appear for the state."

*Mayo v. Renfroe,*  
66 Ga. 408, 427.

Moreover, while the files of both the Governor's office, and of the Attorney General's office have been lost or destroyed and cannot now be found, it is obvious from the permanent records of the State of Georgia, of which this Court will take judicial notice, that both the Governor and the legislature of Georgia were fully informed of and approved the acts of the Attorney General in litigating the question on behalf of the state in the District Court and in this Court. For example, Governor Hoke Smith, in his message to the legislature of June 24, 1908, while the action was pending in this Court, said:

"Litigation has been pending, off and on, for years between the State and the Georgia Railroad and Banking Company, growing out of a provision in its original charter upon the subject of taxation. There will probably be heard this Fall before the Supreme Court of the United States the case between that Company and the State, in which I hope a decision may be rendered which will define the State's right to collect taxes from it.

"The State says:

"First, that a correct construction of the original charter of the Georgia Railroad and Banking Company exempted only the stock of the Company from taxation.

"Second, that if this view is not sound, still the investment other than the original capital is subject to taxation. Success even to this extent would subject \$9,000,000 of property belonging to this Company to taxation.

"We should seek no injustice to railroad companies, but they ought to bear part of the burdens of government. They ought not to be relieved from taxation, leaving thereby extra

burdens upon the private citizens, unless clearly exempt by contract binding upon the State."

*House Journal for 1908, pp. 24, 25.*

The legislature of Georgia passed the following resolution:

WHEREAS, it is announced that the Honorable John C. Hart of the County of Greene will be appointed by His Excellency, the Governor, Tax Commissioner of this State in accordance with an Act this day approved, and that the said John C. Hart has signified his willingness to accept said appointment, and

WHEREAS, The said John C. Hart is now under contract with the State of Georgia to represent the State in certain suits for taxes brought against several railroad corporations of this State, his compensation being conditional upon recovery, and,

WHEREAS, His duties as Tax Commissioner would in no wise conflict with his performance of his part of the contract or contracts aforesaid, it is,

Resolved by the General Assembly of Georgia, That it is the sense of the General Assembly that the acceptance on the part of the Honorable John C. Hart of the office of Tax Commissioner of this State and his performance of the duties of said office should and will conflict in no wise with any contracts existing between the said John C. Hart as attorney, and the State of Georgia; and,

Further, That the appointment of the said John C. Hart to the office aforesaid and his acceptance of same will not and should not nullify or void the future operation of said contracts.

Approved August 16, 1913.

*Georgia Laws 1913,  
page 1306.*



The John C. Hart there mentioned was the Attorney General and counsel for the state in the prior litigation. The litigation there mentioned clearly refers to the attempts to tax the property of appellant, which were then continuing against the lessees.

*L & N Railroad Co. v. Wright,*  
199 Fed. 454.

*Wright v. L & N Railroad Co.,*  
236 U. S. 687.

The District Court, in its opinion, nevertheless, said that it was not proven that the Attorney General was authorized to file answer and defend the prior action. In the first place, since it was the imperative duty of the Governor to direct the Attorney General to defend the action and since it was the duty of the Attorney General to defend on behalf of the State when directed by the Governor and since he did in fact file answer in his official capacity as Attorney General, it will be presumed that both the Governor and the Attorney General did their duty. In the second place, the official utterances both of the Governor and of the legislature show beyond question that they did approve of the action of the Attorney General. In the third place, failure of plaintiff to prove this part of its case is no ground for dismissing the action on motion. There was no motion filed by appellee for a summary judgment. Even if the facts presented were not sufficient to justify a summary judgment in favor of plaintiff, plaintiff is still entitled to an opportunity to try to prove its case on the trial on the merits.

Finally, the cases hold that there is such privity between an officer and his successor in office, in regard to acts under color of office, that the successor is entitled to the benefits of and bound by a final decree in an action against his predecessor in office.

*New Orleans v. Citizens Bank,*  
167 U. S. 371.

*Safeway Stores v. Porter,*  
154 F. (2d) 656.

*Sunshine Coal Co. v. Adkins,*  
310 U. S. 381.

*Tait v. Western Maryland Ry. Co.,*  
289 U. S. 620.

*U. S. v. Willard Tablet Co.,*  
141 F. (2d) 141.

*People v. Board of Review,*  
352 Ill. 157, 185 N. E. 248.

*Crucia v. Behrman,*  
147 La., 144, 84 So. 525..

There is certainly every reason in justice and public policy why this should be the rule. If the contrary rule is established, the same questions can be relitigated by either party in regard to the same taxes for the same years every time there is a change in the person holding the office of tax collector. This is particularly true where the case turns on a question of fact. The most extended trial, and verdict of the jury, would be completely nullified by a change in the personnel of the office. In such case, either party could start all over. The state might seek to relitigate the collectability of taxes for 10, 20, or 50 years previous, even though settled by final judgment, subject only to the local statute of limitation, and there is question whether the statute would ever run if the state kept the matter in continuous litigation.

*Prior Decree Concludes  
All Questions Raised.*

A final decree permanently enjoining the collection of taxes contrary to a contractual provision in a charter is conclusive, not only as to the taxes then accrued but also as to future taxes, and not only as to the issues actually raised but also as to all issues that could have been raised. In such case, the question

at issue—the cause of action—is not the taxes for prior years, but the right to exemption—the contract of exemption.

*Gunter v. Atlantic Coast Line,*  
200 U. S. 273.

*Deposit Bank v. Frankfort,*  
191 U. S. 499.

*New Orleans v. Citizens Bank,*  
167 U. S. 371.

And in this case, the existing permanent injunction specifically enjoins all future taxes except in accordance with that decree. (R. 131)

The ruling of this Court, in *Wright v. Georgia Railroad & Banking Co.*, 216 U. S. 420, to the effect that the prior decisions of the Georgia Courts were not res judicata, is not to the contrary. That ruling was based on the premise that the federal courts give the same effect to judgment of a state court as the state court would give to such judgment, and the Georgia courts at that time had indicated that such judgment of the state court would not be res judicata as to taxes for future years.

But the existing final decree and permanent injunction here relied upon is the judgment of a federal court based on a federal question, and the effect of such judgment is a question of federal law and not of state law. And this Court has definitely settled that such judgment is res judicata as to taxes for future years.

*Gunter v. Atlantic Coast Line,*  
200 U. S. 273.

*Deposit Bank v. Frankfort,*  
191 U. S. 499.

Moreover, the Supreme Court of Georgia has subsequently held that a judgment as to the validity of taxes for one year may be res judicata as to subsequent years.

*Coleman v. Field,*  
142 Ga. 205.

*Prior Decision Right on Merits.*

Moreover, even if the prior decision of this Court, holding the tax here sought to be imposed unconstitutional and void, were not technical res judicata, that decision is right on its merits and should be followed as stare decisis.

*Wright v. Ga. R. R. & Banking Co.,*  
216 U. S. 420.

**CONCLUSION**

Therefore, the District Court should have not only overruled Appellee's motion to dismiss, but should have granted Appellant's motion for a summary judgment or judgment on the pleadings.

**APPELLEE'S CONTENTIONS**

The principal contentions of Appellee, State Revenue Commissioner, in the court below were:

1. That the action was against the state within the meaning of the eleventh amendment.
2. That the decision of the Supreme Court of Georgia in *Musgrove v. Georgia Railroad & Banking Co.*, 204 Ga. 139, appeal dismissed by this Court, 235 U. S. 900, is conclusive and binding on this Court.
3. That Appellant waived the final decree of the Federal Court by going into the State Court.
4. That there were defenses not raised in the prior proceeding in this Court which require a different result.
5. That there is a plain, speedy and efficient remedy in the State Court which denies the Federal Court jurisdiction under the Johnson Act.



These contentions will be discussed in order.

1. *That Suit Was Against State.*

This contention, sustained by the District Court, is fully discussed above (pages 6-19).

The only case cited by the District Court is *In re Ayers*, 123 U. S. 443, which is discussed above on page 8.

In that case, the Attorney General of Virginia had been adjudged in contempt for refusing to dismiss actions in the State Courts against taxpayers who were not in privity with the plaintiff. The plaintiff alleged that the action of the Attorney General in bringing suit and making taxpayers prove the genuineness of the coupons they had tendered in payment of taxes depreciated the value of the coupons which plaintiff held and which he hoped to sell to other taxpayers. Clearly the order directing the Attorney General to dismiss actions brought in the name of the state required action by the state and by the Attorney General in his official capacity as agent of the state acting within the scope of his authority. It was, therefore, against the state within the rule recently restated by this Court in the *Larson* case (337 U. S. 682).

But when a taxpayer whose property was about to be seized, notwithstanding a tender of the coupons, brought suit to enjoin the taxing authorities, this Court held, in an opinion by the same justice, that the action was not against the state but was against an officer exceeding his constitutional authority and a wrongdoer.

*Allen v. B & O Railroad,*  
114 U. S. 311.

This case is analogous to the *Allen* case and not the *Ayers* case.

2. *That Musgrove case is Conclusive.*

Appellee contends that *Musgrove v. Georgia Railroad & Banking Co.*, 204 Ga. 139, adjudicates that this case may not proceed and is conclusive on this Court.

That case merely held, however, as a matter of state practice, that an action for declaratory judgment in the State Court would not lie. It is, of course, competent for the state to determine, either by legislation or by judicial decision, what actions may be brought in the state courts. Such determination, in absence of unconstitutional discrimination, is purely a matter of state practice involving no federal question.

Appellee moved to dismiss the appeal to this Court in that case on the grounds that the decision involved only a question of state practice and no federal question, saying:

"Appellant bases its appeal on an erroneous assumption that the Supreme Court of the United States will assume jurisdiction on a decision of a State Court construing a State Statute providing for certain actions which may be filed in State Courts. The petition of Appellant against Appellee was based on a new statute, that of 1945 authorizing the granting of declaratory judgments in certain cases. The decision of the Supreme Court of Georgia ordered the petition dismissed on the grounds that declaratory judgment was not Appellant's remedy."

This Court agreed and dismissed the action on that ground.

*Georgia Railroad & Banking Co., v. Musgrove,*  
335 U. S. 900.

Having secured the dismissal of the appeal on the grounds that the case involved no federal question, he is now estopped to contend that it did.

*Michels v. Olmstead,*  
157 U. S. 198.

Whether suit can be maintained in the Federal Court is, of course, a federal question determined by federal law.

*Harrison v. St. Louis & San Francisco Railroad,*  
232 U. S. 318, 328.

Of course the basic reasoning which should influence the State Court in deciding whether an action is against the State

under state practice, and that which should influence the federal court in deciding whether an action is against the State under the 11th amendment, should be the same or similar. But there is nothing to prevent the two systems of courts from building up quite different bodies of law on the subject. The Supreme Court of Georgia has itself recognized that the question is different in the two courts and therefore the decisions of this Court are merely persuasive and not binding on the Supreme Court of Georgia.

*Florida State Hospital v. Durham Iron Co.,*  
192 Ga. 459, 464.

And where the question thus arises under a different contract, or law, the prior decision is not conclusive, although the two contracts, or laws, are quite similar.

*Commissioner v. Sunnen,*  
333 U. S. 591, 602.

And laws of different jurisdiction which are the same in words may be quite different in meaning because of the different construction put on the words by the different courts.

In the second place, the Supreme Court of Georgia decided only that suit for declaratory judgment would not lie. The reasoning of the Court bore very heavily on the fact that the action was one for declaratory judgment. The State Revenue Commissioner, on his motion to dismiss granted by this Court, said, "The decision of the Supreme Court of Georgia ordered the petition dismissed on the grounds that declaratory judgment was not appellant's remedy." This is not such action.

In the third place, Appellant already has a final decree and permanent injunction, which it is seeking to enforce. Such permanent injunction, affirmed by this Court and final for many years, can be enforced by the Court even though the action on which it was based might have been dismissed if objection had been made in time. (See discussion, *supra*, pp. 10-11)

*Gunter v. Atlantic Coast Line,*  
200 U. S. 273.

*Chicot County Drainage Dist. v. Baxter State Bank,*  
308 U. S. 371.

Finally, if, as Appellee contends, the judgment against his predecessor Wright is not binding on Appellee because against a different person, then the judgment in favor of his predecessor Musgrove is not binding in his favor.

3. *That Appellant Waived the  
Prior Final Decree.*

Appellee contends that Appellant waived its rights on the prior final decree, affirmed by this Court, by bringing the declaratory judgment action in the State Court.

In that action, however, Appellant specifically set up the prior decree of the Federal Court and prayed that it be enforced as *res judicata*. The state court dismissed the action for want of jurisdiction without intimating any opinion on the merits or on whether the prior decree was *res judicata*.

4. *That There were Defenses  
Not Raised in Prior Proceeding.*

Appellee contends that some objections raised by him in this case were not raised or decided in that case. If this be true, the fact that some of the greatest lawyers of the South, including Samuel Sibley, Robert Toombs, N. J. Hammond, and John C. Hart, in litigation extending over 30 years, did not consider such contentions worth raising is eloquent of their unsoundness. All such contentions certainly were equally available then—more so, if true, for the true facts were then more available than now.

(a) *Failure to build all lines authorized.*

Appellee contends that Appellant forfeited its charter rights because it failed to build all the railroads it was authorized to build.



A corporation does not forfeit the rights, privileges or immunities set out in its charter merely because it fails to exercise all of the powers it is authorized to exercise.

*Ill. Trust & Savings Bank v. Doud,*  
105 Fed. 123 (CCA 8).

If it did, practically all charters would be subject to forfeiture, for it is common knowledge that corporations generally have more charter powers than they exercise.

Moreover, the charter in this case clearly contemplates that the Appellant probably would not build all the lines authorized and that such failure would not forfeit any of the rights set out in the charter.

Sec. 15 of the original charter (App. v) expressly provides that the special provision for taxation shall apply "after the completion of said railroad, or *any one* of them."

Sec. 1 of the charter (App. i) provides that Appellant *shall* build the railroad from Augusta to Union Point, and that when this main road is completed appellant "*shall have power to construct three branches*", and that, if the capital is not sufficient to build all three, then "the branch shall be first completed which the stockholders may by vote designate."

Sec. 15 (App. v) giving appellant exclusive franchise for 30 years, provides as a condition that "the work from, or between Augusta, and *either* [not both] of the places hereinbefore mentioned be commenced within two years and completed in six years."

Therefore, even as to the exclusive franchise, the charter required that only one, and not both, of the branches be completed.

Sec. 24 (App. viii) provides that the stockholders might divide the railroad from Augusta to Union Point, and the several branches into separate corporations, and that none of such corporations would be responsible for the acts or omissions of

the others. This is the clearest possible expression of intent that the power to build the several branches was severable.

Sec. 2 of the Act of 1835 (App. x) amending the charter, provides that one-half of the capital might be used for banking purposes "until the completion of the road to Athens, and one of the Southern branches through Greensboro, to be designated by the vote of the stockholders; at which time any capital stock unemployed may be used for banking purposes."

This is express permission to build only one Southern branch through Greensboro, and to use any capital then remaining for banking. The use of the remaining capital for banking would necessarily exclude the duty of building of another southern branch to Eatonton.

The Athens branch and one southern branch through Greensboro was built in complete compliance with the charter.

Moreover, Sec. 11 (App. xiv) provides that the only penalty for failure to build even one southern branch would be forfeiture of the right to use part of the capital for banking. If the legislature had intended additional penalty of forfeiture of tax exemption, it certainly would have said so.

Moreover, the state itself, through the legislature, changed the plans to extend the southern branch to Atlanta, to connect with the state road, rather than to Eatonton.

At the time this road was built, the building of railroads was considered of overwhelming importance to the state and to the public. The State of Georgia, and other states, finding it impossible to raise private capital, built railroads with their own money, guaranteed the bonds of private corporations, and otherwise did everything possible to secure the building of railroads. The plans for such railroad were necessarily fluid to meet changing conditions and to connect with other lines as they were built.

After appellant was chartered, the state began building a road from Chattanooga to Atlanta, then just a point in the

wilderness. It was of utmost importance that appellant road be extended to Atlanta, to connect with the state road and give it a connection with the sea, rather than to Eatonton as originally planned.

The legislature therefore, in 1837, passed an Act reciting the building of the state road, and authorizing appellant to extend its line from Greensboro to Atlanta to connect with the state road (App. xv).

The legislature certainly knew that the Eatonton branch had not then been built. It also knew that the capital of appellant would be strained to the utmost in building a line to Atlanta, and that it would have no capital for a line to Eatonton. Clearly it considered the Atlanta line much more important, and acquiesced in the change of plans to build the road to Atlanta rather than to Eatonton.

By the Act of December 11, 1858, the legislature authorized an increase of capital to build a line to Eatonton and provided that such increased capital should be subject to tax at the usual rate, but that the Act should "under no circumstances be construed as to authorize any increase of rate of taxation upon any other stock or property connected with said company other than the additional stock allowed by this Act." (App. xviii)

Finally, by the Act approved December 7, 1859, and the Act approved December 19, 1859 (Georgia Laws 1859, p. 314, 315), the legislature withdrew from appellant the right to build the Eatonton branch and conferred the exclusive right on the Eatonton and Madison Railroad. The charter of the latter company provided that it would have all the privileges and immunities of the Central Railroad & Banking Co. One of such privileges was that no other line could be built within twenty miles (Ga. Laws 1833, p. 246). This clearly withdrew any right of appellant to build a branch to Eatonton.

The legislature repeatedly recognized the special provision for taxation was in force notwithstanding the failure to build the Eatonton branch. (App. xvii, xviii, xix)



If the question were otherwise in doubt, the failure of the state or any one else to raise the contention for over a hundred years, during which all persons acquainted with the facts have died and records have been lost or destroyed, would raise a presumption that the state acquiesced in the failure to build a line to Eatonton, and would bar the contention at this late date.

(b) *Failure of Caption of Act to  
set out provision as to taxation.*

Appellee contends that the original charter of Appellant was void under the then constitution of Georgia because the provision as to taxation was not expressly set out in the caption of the Act. This is, of course, a matter of Georgia law.

The Supreme Court of Georgia has decided this contention adversely to Appellee. In *Goldsmith v. Georgia Railroad Co.*, 62 Ga. 485, involving this very charter, the court said:

"That the limit on the taxing power of the state over the Georgia Railroad and Banking Company, is not expressed or indicated in the title of the act of incorporation, does not render that provision of the charter unconstitutional."

Appellee contends that statement was obiter, because the case was dismissed for failure to comply with the technical requirements of the law. However, the same holding was made in *Goldsmith v. Rome Railroad Co.*, 62 Ga. 473, which was decided on its merits:

"An act incorporating a railroad company need not express in its title any of the powers, rights, privileges or immunities which the charter is intended to confer. The charter of a private corporation is a contract as between the state and the corporation; and the stipulations, terms and conditions of a contract are to be looked for in the body of the instrument, not in the title or caption."

"The doctrine that the charter of a private corporation is, as between the state and the corporation, a contract, has be-



come an established principle of American law. Uniformity and universality have been imparted to the rule by repeated decisions of the Supreme Court of the United States, so that now nothing in the whole range of law is better settled. A law or ordinance to incorporate a railroad company, is thus a law or ordinance to contract with it on the part of the state. Notice given in the title or caption of the act, that the state means to incorporate something, comprehends notice that it means to contract. Why should the terms, specifications and conditions of a contract be indicated in the caption or title? They are appropriate to the body of the instrument, and are generally looked for in the body, not the caption or title."

(c) *Atlanta Branch.*

Appellee contends that, in any event, the Atlanta branch, between Madison and Atlanta, is not subject to the special provision as to taxation.

The Act approved December 25, 1837 (App. xv) expressly provides that Appellant "shall have all the powers and privileges, rights and immunities in the construction of said branch from Madison, as aforesaid, to the said state railroad, as are contained in the several acts heretofore passed, and now in force, constituting the charter of the Georgia Railroad and Banking Company, as fully and to the same extent as if said continuation had originally been part of the Georgia Railroad."

Moreover, the original charter provided that the "capital" of Appellant should be subject to tax only as provided in the charter. The courts have held that this meant the property in which the original capital was lawfully invested. Certainly the original capital was lawfully invested in the Atlanta branch and therefore is subject to the special provisions for tax to the same extent as other property in which the capital was lawfully invested.

This question has been decided against Appellee both by the Supreme Court of Georgia and by this Court. In *State of Georgia v. Georgia Railroad & Banking Co.*, 54 Ga. 423, the

lower court specifically considered and decided what property of the railroad was exempt and held that all of the property, except that acquired with the proceeds of the sale of 440 shares of new stock issued after 1863, was exempt. That decision was affirmed by the Supreme Court.

And in *Wright v. Georgia Railroad & Banking Co.*, 216 U. S. 420, the Comptroller General, by his counsel the Attorney General, specifically asked the court to consider and decide what property was subject to the special tax provision. The Circuit Court held, by specific description, that the Atlanta branch was subject to that provision. This Court also considered what property was subject to that provision and held that the Washington branch, which had been acquired in a subsequent merger, was not exempt but affirmed the decree as to the Atlanta branch.

(d) *Charter as Contract.*

Finally, Appellee contends that the charter of this appellant was not a contract within the meaning of the Constitution of the United States. If the court should sustain this contention, it would mean overruling the *Dartmouth College* case and all the hundreds of cases following that case. We assume, in the absence of a specific request from the court, that the court does not care for re-argument on such fundamental question so long and firmly embedded in the law.

(e) *Concluded by prior decree.*

Finally, all of the above questions raised by appellee, all of which could have been raised in the prior proceeding, are concluded by the final decree and permanent injunction affirmed by this Court. See pages 10-20 of this brief.

5. *That Johnson Act Withdrew Jurisdiction.*

Appellee contends that jurisdiction is withdrawn by Title 28, U. S. Code, Sec. 1341, which provides:

"The District Court shall not enjoin, suspend or restrain the assessment, levy, or collection of any tax under state law

where a plain, speedy and efficient remedy may be had in the courts of such state."

Apparently appellant does not have any remedy in the courts of Georgia. If it has any such remedy it is certainly not plain or efficient within the meaning of the Act.

In order for a remedy in the state court to oust the federal court of jurisdiction, there must not be any reasonable doubts as to the existence or form of such remedy.

*Spector Motor Co. v. McLaughlin*,  
323 U. S. 101.

*Hillsboro v. Cromwell*,  
326 U. S. 620.

*Atlantic Coast Line v. Doughton*,  
262 U. S. 413.

*Corporation Commission v. Carey*,  
296 U. S. 452.

Appellant in this case did seek a remedy in the state courts. It brought action for declaratory judgment, which seemed the clearest remedy. The Supreme Court of Georgia held that such remedy was not available and specifically declined to express an opinion whether any remedy, and if so what remedy, was available.

*Musgrove v. Georgia Railroad & Banking Co.*,  
204 Ga. 139.

In the oral argument in the District Court counsel for appellee admitted that he would contend that any remedy which appellant might seek in the state court was not available.

The District Court, familiar with the Georgia law, was convinced that there was no plain remedy under the Georgia law.

Appellee suggests four possible remedies:

- (1) Affidavit of illegality.
- (2) Appeal to arbitration and thence to the courts.



(3) Suit for injunction.

(4) Payment and suit to recover.

This requires a consideration of the confusing and conflicting statutes which have been passed.

(1) *Affidavit of illegality.*

(a) *Has been repealed.*

The original Act of 1874 (App. 3x), imposing ad valorem tax on railroads, provided that the railroad might file an affidavit of illegality to the execution issued by the comptroller, and that such affidavit would be returned to the Superior Court of Fulton County for trial.

The Act of 1889 (App. xxii), providing for county taxation, provided that the comptroller would issue an execution for the tax due the county and that the railroad might file affidavit of illegality and that such affidavit would be returned to the Superior Court of the county in which the tax was claimed to be owing.

The Act of 1890 (App. xxv), providing for taxation by cities contained similar provision.

The Act of 1918 (App. xxvi), however, changed the remedy. It provided that if any taxpayer required to make returns to the comptroller failed to return its property for its full value, the comptroller should assess it at its true value and notify the taxpayer "which valuation shall be final unless the person so notified raises the question that it is excessive." If so, the taxpayer must appeal to arbitration and the decision of the arbitrators is made final. If the taxpayer contends that the property is not subject to tax, he may file suit in equity in the Superior Court of Fulton County.

This Act apparently repealed the prior remedies. It certainly repealed the remedies as to valuation for it provided that the assessment, or the award of the arbitrators, would be final.



The reorganization Act of 1938 (App. xxviii) repealed all existing remedies and established one plain, simple remedy. It transferred the function of the comptroller to the Revenue Commissioner created by the Act. It created a Board of Tax Appeals, and provided that any taxpayer aggrieved by any assessment of the commissioner might appeal to the Board; and thence to the courts. It further provided:

"The Commissioner's assessment shall not be reviewed except by the procedure hereinafter provided; no trial court shall have jurisdiction of proceedings to question such assessment except as in this Act provided." (App. xxix)

The Courts of Georgia held that act meant what it said and that the appeal to the Board covered all questions and was the exclusive remedy.

*Forrester v. Pullman Co.,*  
66 Ga. App. 745.

*Forrester v. Pullman Co.,*  
192 Ga. 221.

However, the Act of 1943 (App. xxxi) abolished the Board of Tax Appeals. Taxpayers were given the right to appeal directly from the assessment of the Commissioner to the courts, except that the Act expressly provided that such right of appeal would not apply to corporations required to make ad valorem returns to the Commissioner (App. xxxiii). This exception clearly covered Appellant. Such taxpayers were given only the right to

"Refer the question of true value or matter to arbitrators as provided for by Chapter 92-60 of the Georgia Code of 1943." (App. xxxiii)

It is clear that the right to appeal to arbitrators relates only to valuation and not to taxability.

*Columbus Mutual Life Ins. Co. v. Gullatt,*  
189 Ga. 747.

Therefore, as to Appellant, the Act of 1943 did not provide any remedy for testing taxability of the property.

The Act of 1843 did provide:

"Provided, however, that nothing herein contained, and no provision of this Act shall be construed to deprive a taxpayer against whom an execution for taxes has been issued under an assessment by the State Revenue Commissioner of the right to resist enforcement of the same by affidavit of illegality." (App. xxxii)

At the time the Act of 1943 was passed, however, railroad corporations such as Appellant clearly had no right to file affidavit of illegality in connection with an assessment of ad valorem taxes. Such right probably had been withdrawn by the Act of 1918 and certainly had been withdrawn by the Act of 1938. The above proviso in the Act of 1943 did not purport to create a right of affidavit of illegality. It merely preserved any such right then in existence. At that time no such right existed for Appellant in the circumstances of this case.

(b) *Affidavit of illegality never available in Circumstances of this case.*

Moreover, even if the remedy of affidavit of illegality had not been repealed, it would not have been available in the circumstances of this case. The Act of 1874 codified in Code Sec. 92-2604, the only section ever giving right of affidavit of illegality, expressly provided that the railroads might file affidavit of illegality only "after making the returns required in Section 92-2602 and after paying the tax levied on such corporation." (App. xx) The Supreme Court of Georgia has held that compliance with that condition, *within the time provided by law*, is a condition precedent to the right of affidavit of illegality and that failure to comply is grounds for dismissal.

*Goldsmith v. Georgia Railroad Co.,*  
62 Ga. 485.

The Supreme Court further held that a railroad which had not complied with those conditions within the time provided

by law had no adequate remedy at law and therefore could sue in equity.

"It (the railroad) is remedyless now under the mode provided by the Act of 1874. It has no remedy at law as the case now stands. It cannot make now the returns required to have been made in 1876 and 1877 because the time has passed; and if it has any remedy it is in equity."

*Wright v. Southwestern R. R. Co.,*  
64 Ga. 783, 793.

That statement of the Supreme Court of Georgia is applicable to Appellant in this case. It certainly cannot now make the return and pay the tax within the time provided by law because that time has passed.

(c) *Remedy not efficient.*

Moreover, if the remedy of affidavit of illegality were available, it would not be adequate or efficient because of the multiplicity of suits involved.

As pointed out above (p. 33), the Act provides that the Commissioner shall issue separate executions for the tax due to the state and for tax due to each county and city, and that affidavits of illegality to such execution shall be returned to the Superior Court of the county in which the tax is claimed. (App. xxiv) This railroad runs through fourteen counties and sixteen municipalities. This means that, even if affidavits of illegality were available, to contest the taxes for the ten years claimed by Appellee by affidavit of illegality would require 310 executions and 310 affidavits of illegality returnable to fourteen different courts. Any remedy involving such multiplicity of action is not adequate or efficient.

*Graves v. Texas Co.,*  
298 U. S. 393.

*Union Pacific R. R. v. Weld County,*  
247 U. S. 282.



*Risty v. Chicago, R. I. P. Railroad,*  
270 U. S. 378.

The Supreme Court of Georgia, even before the subsequent statutes apparently repealed the remedy of affidavit of illegality, held that these uncertainties and complications were such that the remedy was not adequate.

*Wright v. Southwestern Railroad,*  
64 Ga. 783.

(2) *Appeal to court under Act of 1943.*

The Act of 1943 (App. xxxi) does give taxpayers generally the right of appeal to the Superior Court from assessments of the Commissioner, but this Act in express terms provides that this right of appeal shall not apply to corporations required to make returns of ad valorem taxes to the Commissioner (App. xxxiii). This exception includes the taxes herein mentioned.

That Act gives such taxpayers the right to appeal to arbitrators on the question of value or amount (App. xxix) but the right to appeal to arbitration clearly is limited to questions of value and does not include the question of taxability.

*Columbus Mutual Life Ins. Co. v. Gullatt,*  
189 Ga. 747.

(3) *Suit for Injunction.*

Clearly the right to sue for injunction in the State Court is not available.

The Act of 1938 (App. xxix), quoted above (p. 34), clearly withdraws this right, and there is no subsequent proviso which could be construed as reinstating the right to sue in equity. Moreover, the Supreme Court of Georgia, in *Musgrove v. Georgia Railroad & Banking Co.*, 204 Ga. 139, strongly intimated that suit in equity to enjoin the tax could not be maintained in the courts of Georgia.



(4) *Right to pay and sue to recover.*

The Act of 1938 (App. xxviii) does give taxpayers right to sue to recover any tax erroneously or illegally paid to the State Revenue Commissioner.

However, only a relatively small part of this tax would go to the State of Georgia. By far the greater part would be payable to the local county tax collectors. There is no provision under the Georgia law for recovering taxes paid to a local county tax collector.

*Johnson Act does not apply to enforcing injunctions already issued.*

Finally, the Johnson Act can have no application to an ancillary action brought to enforce a prior final decree and permanent injunction.

*Gunter v. Atlantic Coast Line,*  
200 U. S. 273.

Such action can be brought only in the court which rendered the original decree.

*Railroad Co. v. Chamberlain,*  
6 Wall 748.

Therefore, the State Court cannot give a plain, speedy and efficient remedy to enforce an injunction previously issued by the Federal Court.

Respectfully submitted,

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## APPENDIX

### STATUTES OF GEORGIA CITED

#### I. Charter of Georgia Railroad & Banking Co., and Amendments Thereto.

(1) Act Approved December 21, 1833, Georgia Laws of 1833, p. 256.

*AN ACT—To Incorporate the Georgia Railroad Company, with powers to construct a Rail or Turnpike Road from the City of Augusta, with Branches Extending to the Towns of Eatonton, Madison, in Morgan County, and Athens; to be carried beyond those places, at the discretion of said Company; to punish those who may wilfully injure the same; to confer all corporate powers necessary to effect said object; and to repeal an Act entitled "An Act to authorize the formation of a Company for constructing a Railroad or Turnpike from the City of Augusta to Eatonton, and thence westward to the Chattahoochee River, with Branches thereto, and to punish those who may injure the same," passed the 27th December, 1831.*

SEC. 1. *Be it enacted, etc., That the Company provided for in this Act, and hereinafter more especially incorporated and authorized, shall and may direct and confine their first efforts and enterprise to the formation and completion of a Railroad communication between the City of Augusta and some point in the interior of the State, to be agreed upon by the stockholders, which Road shall be called the Union Railroad; and the same being completed, the Company shall have power to construct three Branch Railroads, beginning at the point agreed upon as the termination of the Union Road, or such point for the Middle Road as the stockholders may select, one running to Athens—one to Eatonton—and the third to Madi-*

son, in Morgan County; which Branches shall be erected simultaneously; *Provided*, The amount of stock subscribed will warrant the completion of all at the same time; and if the stock subscribed will not warrant the completion of all of said Branches at one and the same time, then that Branch shall be first completed which the stockholders may by vote designate. The Company shall have the further power to continue the Athens Branch towards any point which may be agreed upon, on the Tennessee River—all of which shall be done at such time and in such manner as the stockholders may direct.

SEC. 2. The Company shall have the exclusive privilege of constructing Railroads from any point in this State within twenty miles of the Road herein designated as the Union Road and its Branches, leading to Eatonton, Athens and Madison, continuously to the City of Augusta, for and during the term of thirty-six years.

SEC. 3. The stock of the Company authorized and incorporated by this Act shall consist of fifteen thousand shares, of one hundred dollars each share, and the said Company to be formed on that capital; but the said Company shall be at liberty to enlarge their capital, as, in the progress of their undertaking, they may find necessary; and that, either by additional assessments on the original shares, not to exceed in the whole the sum of twenty dollars in addition to each original share, or by opening books for enlarging their capital by new subscriptions in shares of not more than one hundred dollars, so as to make their capital adequate to the works they may undertake, and also to prescribe the terms and conditions of the new subscriptions. And it shall be lawful for the Company, from time to time, to invest so much, or such parts of their capital, or of their profits, as may not be required for immediate use, and until it may be so required, in public stock of the United States, or of this State, or of any incorporated Bank, or lend out the same at interest on good security, and draw and apply the dividends, and when and as they shall see fit, sell and transfer any parts or portions thereof: *Provided*, That nothing herein contained shall be so construed as to authorize said Company



to issue bills of credit, or to loan out any moneys at a greater rate of interest than eight per cent.

SEC. 9. The aforesaid Company, to be organized as aforesaid, shall be called "The Georgia Railroad Company," and shall have perpetual succession of members, may make and have a common seal, and break or alter it at pleasure; and their corporate name aforesaid may sue and be sued, answer and be answered unto, in all courts of law and equity, or judicial tribunals of this State; and shall, at all times, be capable of making and establishing, altering and revoking all such regulations, rules and By-Laws for the government of the Company and its Directors, as they may find necessary and proper for the effecting of the ends and purposes intended by the association and contemplated in this Act. *Provided*, Such rules and regulations, and By-Laws, shall not be repugnant to the Laws and Constitution of this State.

SEC. 10. The said Georgia Railroad Company shall have power and capacity to purchase, and have and hold, in fee simple, or for years, to them and their successors, any lands, tenements or hereditaments that they may find necessary for the site, on and along which, to locate, run and establish the aforesaid Railroad and Railroads, or any Branches thereof; or to vary or alter the plan or plans, and of such breadth and dimensions through the whole course of the Road and Roads, as they may see fit; and also, in like manner, to purchase any lands contiguous, or in the vicinity of the Railroad and Railroads, hereby authorized, that they may find necessary for the procuring, and from time to time, readily obtaining all necessary or proper materials, of what kind soever, for the constructing, repairing, and adequately guarding and sustaining the said Railroad or Railroads; and in like manner to purchase all rights of way on land, and all necessary privileges in waters or water courses, that may lie on or across the route which the said Railroad or Railroads may pass; and also all lands contiguous thereto, that may be found necessary for the erecting of toll houses, store houses, workshops, barns, stables, resi-



dences and accommodations for servants or agents or mechanics, and for the stationing and sustaining all animals of labor. And the said Company shall have power, if need be, to conduct the Railroad across any public road, and, by suitable bridges over and across all or any rivers, creeks, water or water courses, that may be in the route; or if they should deem it more convenient and suitable, may pass carriages, using the Roads, by convenient boats, across the same: *Provided*, That the said Company shall so construct their Railroad across all public roads as not to obstruct or injure the same.

\* \* \*

SEC. 12. The said Georgia Railroad Company shall, at all times, have the exclusive right of transportation or conveyance of persons, merchandize, and produce, over the Railroad and Railroads to be by them constructed, while they see fit to exercise the exclusive right: *Provided*, That the charge of transportation or conveyance shall not exceed fifty cents per hundred pounds, on heavy articles, and ten cents per cubic foot, on articles of measurement, for every one hundred miles; and five cents per mile for every passenger: *Provided, always*, That the said Company may, when they see fit, rent or farm out all or any part of their exclusive right of transportation or conveyance of persons, on the Railroad or Railroads, with the privilege to any individual or individuals, or other company, and for such term as may be agreed upon, subject to the rates above mentioned. And the said Company, in the exercise of their right of carriage or transportation of persons or property, or the persons so taking from the Company the right of transportation or conveyance, shall, so far as they act on the same, be regarded as common carriers. And it shall be lawful for the said Company to use or employ any section of their intended Railroad, subject to the rates before mentioned, before the whole shall be completed, and in any part thereof, which may afford accommodation for the conveyance of persons, merchandize or produce. And the said Company shall have power to take, at the store houses they may establish on or annexed to their Railroad, all goods, wares, merchandize and produce

intended for transportation or conveyance; prescribe the rules of priority; and charge such just and reasonable terms and compensation for storage and labor as they may by rules establish (which they shall cause to be published), or as may be fixed by agreement with the owners; which compensation shall and may be distinct from the aforesaid rates of transportation.

\* \* \*

SEC. 14. Whenever the Company aforesaid shall see fit, to farm out as aforesaid, to any person or persons, or body corporate, any part of their exclusive right of conveyance and transportation, or shall deem it expedient to open the said road, or any part thereof, to public use, they shall and may adopt and enforce all necessary rules and regulations, and have power to prescribe the construction and size or burthen of all carriages and vehicles, and the materials of which such shall be made, that shall be permitted to be used or pass on the said Railroad, and the locomotive power that shall be used with them.

SEC. 15. The exclusive right to make, keep up and use the Railroads and transporations, authorized by this Act, shall be for and during the term of thirty-six years, to be computed from the time when the said Road from Augusta to either of the points hereinbefore designated, shall be completed for transportation: *Provided*, That the subscription of stock or shares of said Company to the amount of at least five thousand shares as aforesaid, be filled up within six months from the passing of this Act, and the work from, or between Augusta, and either of the places hereinbefore first mentioned, be commenced within two years and be completed within six years after the five thousand shares shall be subscribed. And after said term of thirty-six years shall have elapsed, though the Legislature may authorize the construction of other Railroads, for the trade and intercourse contemplated herein: *Nevertheless*, The Georgia Railroad Company shall remain and be incorporate, and vested with all the estate, powers and privileges as to their own works herein granted and secured, except the exclusive right to make, keep up, and use Railroads over and through such parts of the country, that shall so have expired

by the foregoing limitations; but the Legislature may renew and extend that exclusive right, upon such terms as may be prescribed by law, and be accepted by the said incorporated Company. The stock of the said Company and its Branches shall be exempt from taxation for and during the term of seven years from and after the completion of the said Railroads, or any one of them; and after that, shall be subject to a tax not exceeding one-half per cent. per annum on the net proceeds of their investments.

\* \* \*

SEC. 18. Every person who shall be a subscriber to or holder of stock in the said Company, shall pay to the Company the instalment of fifteen dollars on each and every share, in such periods of not less than six months, as shall be prescribed and called for by the Directors, after which the Directors may call for the further moiety of each share, in payments not exceeding fifteen dollars per share, in periods of not less than six months, of which periods of payment by instalment on the shares, and the sums required, the Board of Directors shall cause public notice to be given for at least four weeks previously to the day of payment, by advertising the same in one or more of the gazettes of Milledgeville and Augusta: And failure to pay up any one of the instalments so called for as afore-said shall induce a forfeiture of the share and shares on which default shall be so made, and all past payments thereon, and the same shall vest in and belong to the Company, and may be appropriated as they shall see fit. It shall be the duty of the Company, as soon as may be after they are organized, or of the Board of Directors, to issue scrip to each subscriber for the shares he holds, and deliver the same at the time of the second payment; on which, if convenient and practicable, receipts for the instalments paid, and that may successively be paid, may be endorsed, and the scrip issued may be made assignable and transferable in person or by attorney, at the office and on the books of the Company; and the said corporation shall and may, in and by their By-Laws, rules and regulations, prescribe the mode of issuing the evidences of shares of stock and the terms



and conditions, as also the times and manner in which shares in the Company may be transferred.

SEC. 19. Whensoever the said Company shall find occasion to increase their capital by additional assessments on the original shares, as before mentioned, in the third section of this act, within the limits therein mentioned, the said further sum on each share shall not be called for in less than two instalments at similar periods, and like notices as are mentioned and provided in the immediately preceding section; and failure to pay up such additional assessments shall in like manner, as therein provided, induce a forfeiture of the Company of the share or shares of stock on which default should so be made.

SEC. 20. The President and Directors shall be styled "The Directors of the Corporation," and shall make all contracts and agreements in behalf thereof, and have power to call for all instalments, declare all dividends of profits, and to do and perform all other acts and deeds which, by the By Laws of the corporation, they may be empowered or required to do and perform; and the acts of the Direction, or their contracts, authenticated by the signatures of the President and Secretary, shall be binding on the corporation without seal. Regular minutes shall be kept of all meetings of the Direction, and of the acts there done; and the Direction shall not exceed in their contracts the amount of the capital of the corporation; and in case they shall do so, the President and Directors who are present at the meeting at which such contract or contracts so exceeding the capital shall be made, shall be jointly and severally liable for the amount of the excess, both to the contractor or contractors and to the corporation; *Provided*, That any one may discharge himself from such liability by voting against such contract or contracts and causing such vote to be recorded in the minutes of the Direction, and giving such notice thereof to the next general meeting of the stockholders.

SEC. 22. If the Company, instead of constructing the Railroads herein specified, should deem it preferable to construct



common roads, and use steam carriages thereon, they shall have power to do so under the same regulations, and with the same privileges in all respects as are herein prescribed in relation to railroads.

SEC. 23. The Act entitled "An Act to authorize the formation of a Company for constructing a Railroad or Turnpike from the City of Augusta to Eatonton, and thence westward to the Chattahoochee River, with Branches thereto, and to punish those who may injure the same," passed the 27th December, 1831, is hereby repealed in every clause and section thereof; and this Act of incorporation shall be deemed and taken to be a Public Act, and shall be judicially taken notice of as such without special pleading.

SEC. 24. Whensoever a number of the stockholders in interest amounting to three thousand shares, shall unite for the furtherance, construction and completion of either of said Branches of said Road, they shall have power to terminate said Union Road, and may, at such time and place as they may choose and designate, determine for themselves the point or place of diverging with such Branch of said Road as they may then and there point out and ascertain to be identified with their interest as stockholders: *Provided*, The said stockholders so electing shall have given to the said Union Company, their agents or attorney, ten days previous notice of such their choice, of their respective names and their respective disunion of stock, and of the point or place of their intended disunion. That said stockholders so electing and determining as aforesaid, shall and may then and there be and exist as a separate body corporate, and shall then and there, and thenceforward, have, use, and exercise all the rights, privileges, immunities and enjoyments hereby given, granted and secured to said Union Company, to attach, be held; used and exercised by said stockholders so electing as aforesaid, of, for, on account of, and to the particular Road to which they may then and there direct and apply themselves. That their powers as a corporate body shall be similar, and their rights, privileges and immunities, in regard to said Road, so diverging, shall be the

same, and subject to the same restrictions, as herein and hereby provided; imposed and granted to, upon and for the said Union Company. They shall not be called on by said Union Company, from and after the day of their said election and determining said point of diverging, for any other or further payment on stock, but may proceed as a distinct Company to construct a Branch of said Road 1 and through the respective points—Eatonton, Greensborough and Madison, or Athens, respectively, according to circumstances, as they may choose,—and said stockholders so electing and determining as aforesaid, shall be known, according to the Branch to which they shall respectively attach themselves, by the corporate name and style of the Eatonton Railroad, the Greensborough and Madison Railroad, or the Athens Railroad. And said Branch Companies, so named, shall and may apply the residue of their stock, unpaid and unapplied at said time of diverging, to the separate and sole use and construction of the Branch to which each may be attached, and shall and may have, use and enjoy, all the rents, issues and profits of said Branch, to which they may be attached, to the sole use, benefit and behoof of themselves, their heirs and assigns, for the time heretofore limited to said Union Company, and according to the provisions of this Act. They shall in no way be liable to each other as separate Companies, for the expenses or repairs of their respective Roads, nor in any way responsible for each other's acts, from and after the time and place of disunion or diverging, designated aforesaid, so long as they may remain and exist as separate Companies. The stockholders in the Union Road, to the point of diverging, shall, nevertheless, exist as one corporate body, and be liable as such that far, and receive the benefits of said Union Road to said point, according to the provisions hereinbefore contained: *Provided*, That nothing herein contained shall prevent said Branch Companies from uniting their interests and efforts, as circumstances mutually moving them may suggest.

(2) Act approved December 18, 1835, Georgia Laws of 1835, p. 180.

WHEREAS, The people of the West have in contemplation to make a communication between the City of Cincinnati and the Southern Atlantic coast by means of a Railroad; and whereas the best route for said communication is believed to be through the State of Georgia; and whereas, the building of the Georgia Railroad is now in progress, and will be an important link in the line of said communication.

SEC. 1. *Be it, therefore, enacted, &c.,* That the stockholders of the Georgia Railroad Company, and such other persons as shall take stock under this Act, and their successors and assigns, shall hereafter be a body corporate by the name and style of the Georgia Railroad and Banking Company, and by the said corporate name shall be, and are hereby made able and capable in law, to have, purchase, receive, possess, enjoy, and retain, to them and their successors, lands, rents, tenements, hereditaments, goods, chattels, and effects, of whatsoever kind, nature or quality the same may be, sufficient for the construction of banking houses, and the erection of the Railroad only, and the same to sell, grant, demise, alien, or dispose of; to sue and be sued, plead and be impleaded, answer and be answered unto, defend and be defended in courts of record, and also to make and have a common seal, and the same to break, alter or renew, at their pleasure, and also, by and through the Board of Directors, to ordain, establish, and put in execution, such by-laws, rules and regulations as shall be necessary and convenient for the governing of said corporation, as to them may or shall appertain; *Provided,* That such by-laws, rules and regulations shall not be contrary to the Laws and Constitution of this State or of the United States, nor to the rules, regulations, restrictions and limitations prescribed in this Act.

SEC. 2. *Be it further enacted,* That the stock of said Company shall consist of two millions of dollars, one-fourth of which, applied to banking purposes, shall be gold or silver coin,



in shares of one hundred dollars each; of which capital one-half may be used for banking purposes, and not more, until the completion of the Road to Athens, and one of the southern Branches through Greensborough, to be designated by a vote of the stockholders; at which time any capital stock unemployed may be used for banking purposes; *Provided, however,* That the continuation of said Road beyond Athens, so as to connect with the Cincinnati Road, shall be steadily prosecuted so soon as the Company shall have satisfactory evidence that the said connection can be formed.

SEC. 3. *And be it further enacted,* That the Directors of the Georgia Railroad Company, for the time being, shall have power at their discretion to open books of subscription at such times and places as they may think proper, giving such notice in one or more of the public gazettes of this State as they may deem necessary for additional subscriptions to the capital stock of said Georgia Railroad and Banking Company; on which subscriptions there shall be required to be paid, at the time of subscribing, the amount per share that may be prescribed by the Directors aforesaid; and that the President and Directors of the Georgia Railroad Company, for the time being, shall be the President and Directors of the new corporation until the time fixed for the annual election next thereafter.

SEC. 4. *And be it further enacted,* That the Board of Directors of the said corporation shall have power at its discretion to establish agencies for carrying on said work, and may have branches of its banking powers, not exceeding three, and at such times as to them may seem expedient: *Provided,* That no branch for banking purposes shall be established or located in any incorporated town without the consent of the corporate authorities thereof first obtained for that purpose.

SEC. 5. *And be it further enacted,* That the Directors aforesaid shall have power to open books for the subscription of stock, from time to time, until the capital stock shall be filled up; and that all further instalments on the stock herein provided to be subscribed for, shall be called for and paid in



according to the provisions of the Act of which this is an amendment, and shall be under the same liabilities in case of failure to pay.

SEC. 6. *And be it further enacted*, That the bills obligatory and of credit, notes, and other contracts whatsoever, in behalf of the said corporation, shall be binding and obligatory on the said corporation: *Provided*, The same be signed by the President and countersigned by the Cashier of the said Company; and the funds of the corporation shall, in no case, be held liable for any contract or engagement whatsoever, unless the same shall be so signed and countersigned, as aforesaid, except for such checks or bills of exchange as shall be made or endorsed by the Cashier or President thereof, in the course of the business of said Company, and except for such contracts as shall be made under the authority of the Board for work done on the Road; and the funds of the corporation shall, at all times, be subject to the inspection of the Board of Directors and Stockholders, when convened, according to the provisions of this Act, and of the Act of which this is an amendment.

SEC. 7. *And be it further enacted*, That the said corporation shall not, at any time, suspend or refuse payments in gold or silver coin, or any of the notes, bills or obligations, and if the said corporation shall, at any time, refuse or neglect to pay, on demand, any bill, note or obligation, issued by the corporation according to the contract, promise or undertaking, therein expressed, to the person or persons entitled to receive the same, then, and in every such case, the holder of such note, bill, or obligation, shall respectively be entitled to receive and recover interest on the same, until the same shall be fully paid and satisfied, at the rate of ten per cent per annum, together with the lawful interest thereon, from the time of such demand as aforesaid.

SEC. 8. *And be it further enacted*, That the following rules, regulations, limitations and provisions, shall form and be the fundamental articles of the said corporation:

RULE I. The number of votes to which each stockholder shall

be entitled, shall be according to the provisions of the 7th section of the Act of which this is an amendment.

II. The Cashier and other officers of the banking department of said corporation (the President excepted), shall, before they enter upon the duties of their offices respectively, give bond for the faithful performance of their duties, with such security as may be required by the Board of Directors.

III. The total amount of debts which the said corporation shall, at any time, owe, whether by bill, bond, note, or other contract, shall not exceed three times the amount of capital stock actually paid in, and set apart for banking purposes.

IV. Dividends of the net profits of the stock used in banking purposes, or of so much thereof as may be prudent, shall be declared and paid half yearly, if the condition of the Company warrant it, until the Road shall yield a profit, when and in which case, that profit may also in like manner be divided; and such dividend shall, from time to time, be determined by a majority of Directors, at a meeting to be held for that purpose, and shall, in no case, exceed the amount of the net profits actually acquired by the corporation, so that the capital stock thereof shall never be impaired.

V. The Directors shall cause to be kept fair and regular entries in a book to be provided for that purpose, of their proceedings; and on any question, when any one Director shall require it, the yeas and nays of the Directors voting shall be recorded in such book, and the minutes be at all times, on demand, produced to the stockholders, at their general meeting.

VI. So soon as fifty per cent. of the stock already subscribed, and of the stock which may hereafter be taken in the said Company, shall have been paid in, the Company shall have the power and privilege, and not till then, of commencing banking operations, and for that purpose shall have the power to prepare and issue notes, signed by the President and countersigned by the Cashier, as in the usual course of banks in such cases: *Provided*, That of the sum so received, one-half shall be set

apart for their said banking operations, and the other half to the building of the Road, and so on in the like ratio as to all further instalments which may thereafter be called in.

• VII. That portion of the capital stock hereinbefore provided for, and set apart for the purpose of building the Road, shall in no wise be diverted from that object, except as provided for in the second section of this Act.

SEC. 9. *And be it further enacted*, That the President and Directors of the Company shall be elected annually, as provided for in the Act to which this is an amendment; and the Board of Directors of the said corporation shall have power to appoint a Cashier and such other officers as may be necessary for the transaction of the banking business herein provided for, and to allow them reasonable compensation for their services; and shall be capable of exercising all such powers and authorities for the well governing and ordering of the affairs of said corporation as to them shall seem best calculated to promote the best interest of the Company.

SEC. 10. *And be it further enacted*, That the principal office of said Company shall be located at Athens, and all elections and meetings of the stockholders shall be held at such principal office, except when otherwise ordered by the Directors on special occasions.

• SEC. 11. *And be it further enacted*, That the Union Railroad, as authorized by the first section of the Act to which this is an amendment, shall be completed within four years from the passage of this Act; and the Branch to Athens, and one of the southern Branches through Greensborough, which shall be designated by a vote of the stockholders, shall be completed within six years after the passage of this Act; and on failure thereof, the banking privileges hereby granted shall be thenceforth forfeited, and all banking operations shall thenceforward, in such event, be made to cease and determine.

SEC. 12. *And be it further enacted*, That the banking privileges hereby granted shall be and continue for and during



the term of twenty-five years, to be computed from the time fixed by this Act for the completion of the Union Road.

SEC. 13. *And be it further enacted*, That the Act to which this is an amendment shall be and remain in full force and effect, in every section and clause thereof, except where it conflicts with the provisions of this Act.

SEC. 14. *And be it further enacted*, That all the acts done and contracts made by the Georgia Railroad Company are hereby declared to be of binding efficacy on the Georgia Railroad and Banking Company; and all the rights to property acquired by the Georgia Railroad Company, of whatsoever nature or kind the same may be, shall pass to and be vested in the Georgia Railroad and Banking Company as fully and completely as they were vested in the said Georgia Railroad Company.

SEC. 15. *And be it further enacted*, That the persons and property of the stockholders for the time being of the said Georgia Railroad and Banking Company, shall be pledged and bound in proportion to the amount of shares held by each, for the ultimate redemption of the bills or notes issued by and from said Company, in the same manner as in common commercial cases or simple actions of debt.

SEC. 16. *And be it further enacted by the authority aforesaid*, That no exclusive privilege or right of road, extended to the Corporation by the Act of which this is amendatory, shall prevent the State from granting a charter to any Company that may hereafter apply for a Railroad to run from Macon to the Tennessee State line; and from granting any charter or charters to construct any Road to cross said Road, at any point west of Eatonton, or Madison, or Athens.

(3) Act approved December 25, 1837, Georgia Laws 1837, p. 212

WHEREAS, By an Act entitled "An Act to authorize the construction of a Railroad communication from the Tennessee



line, near the Tennessee river, to the point on the southeastern bank of the Chattahoochee river; mostly eligible for running branch roads, thence to Athens, Madison, Milledgeville, Forsyth and Columbus, and to appropriate monies therefor, encouragement is held out in the tenth section of said Act, for the construction of branch Railroads from the terminus of said State Railroad, on the Chattahoochee river, to the several towns of Athens, Madison, Milledgeville, Forsyth and Columbus:

AND WHEREAS, in pursuance of the views of said Act, the Monroe Railroad Company, and the Chattahoochee Railroad Companies have obtained the privilege, by acts of the Legislature, to connect their roads with said State Railroad;

Now, for the purpose of extending a like privilege to the Georgia Railroad and Banking Company, to continue their Road from the town of Madison, to pass through or near the town of Covington, to the said State Railroad, on the Chattahoochee river:

SEC. 1. *Be it enacted, etc.,* That the said Georgia Railroad and Banking Company shall have the right, and they are hereby authorized and empowered to continue their Railroad from the town of Madison, in Morgan County, to pass through or near Covington, in the County of Newton, to connect with and join the Railroad, about to be constructed by the State, from the Tennessee line, near the Tennessee river, to the southeast bank of the Chattahoochee river, as contemplated by the Act recited in the foregoing preamble, and for that purpose the said Georgia Railroad and Banking Company shall have all the powers and privileges, rights and immunities in the construction of said branch from Madison, as aforesaid, to the said State Railroad, as are contained in the several acts heretofore passed, and now of force, constituting the charter of the Georgia Railroad and Banking Company, as fully as if the said continuation had been originally a part of the Georgia Railroad, and the said acts shall extend to and regulate the construction of said extended road, hereby authorized to be constructed, in the same

manner, and to the same extent, and for the same purposes and uses, as the same have been used and applied to the Georgia Railroad and its branch from the city of Augusta to the said town of Madison.

(4) Act approved December 20, 1849, Georgia Laws 1849, p. 239.

SEC. 1. *Be it enacted by the Senate and House of Representatives of the State of Georgia in General Assembly met, and it is hereby enacted by the authority of the same, That the Georgia Railroad and Banking Company shall be allowed to increase their capital to a sum not exceeding five million dollars, upon such terms, limitations and conditions as the stockholders thereof, in Convention, shall determine: Provided, always, that the banking capital of said Company shall not be increase beyond the amount now authorized by their charter, namely, one million of dollars.*

\* \* \*

SEC. 3. *And be it further enacted, That the power heretofore granted to the Georgia Railroad and Banking Company of constructing a branch of their road to Washington, in the County of Wilkes, be and the same is hereby revived and authorized to be exercised by said Company: Provided, That the amount of the increased stock of said Company shall not be exempted from taxation, as is secured to the present stock by the latter clause of the 15th section of the charter of said Company, but shall be subject to such tax as the Legislature may hereafter impose.*

(5) Act approved December 11, 1858, Georgia Laws 1858, p. 66.

SEC. 1. *Be it enacted, That the Georgia Railroad and Banking Company be and they are hereby authorized and empowered to extend the Eatonton Branch of their road either from*

Greensboro or Madison, or from any point between those places, to the town of Eatonton, and to increase the capital stock of said Company to an amount sufficient for that purpose, with all the powers and privileges, rights and immunities contained in the existing charter: *Provided*, nothing herein contained shall be construed to authorize said Company to make any increase of its banking capital: *And provided also*, that such additional stock as shall be allowed under this Act shall be subject to such rate of taxation as the Legislature may from time to time assess, either directly or through the Executive of the State, such rate of taxation never to exceed that put upon the property of the people of this State, and this reserved right to tax the additional stock authorized under this Act in no case nor under any circumstances to be construed to authorize any increase of rate of taxation upon any other stock or property connected with said Company other than the additional stock allowed by this Act.

(6) Act approved October 5, 1868, Georgia Laws 1868, p. 147:

WHEREAS, In the original charter of said Georgia Railroad and Banking Company (then known as the Georgia Railroad Company), it is provided that said Company shall have the power to continue the Athens Branch towards any point which may be agreed upon on the Tennessee river, and by the amended charter of said Company, passed in December, 1835, it is provided that the continuation of said Road beyond Athens, so as to connect with the Cincinnati Road, shall be steadily prosecuted so soon as the Company shall have satisfactory evidence that the said connection can be formed. And whereas, reasonable hopes are now entertained that said Cincinnati Road will be finished to the town of Clayton at no distant day:

SEC. 1. *Be it, therefore, enacted by the Legislature of the State of Georgia, in General Assembly met*, That the Georgia Railroad and Banking Company have the power to extend their Road from or near the city of Athens to the town of Clayton, in Rabun County, and for that purpose the said Company shall



have and enjoy all the powers and privileges of the original charter and amendments.

SEC. 2. For the purposes stated in the above section, the said Company may increase its capital to such forms and upon such terms as the Board of Directors may determine; *Provided*, said increase shall not exceed two million dollars.

## II. Laws providing for the taxation of railroads and remedies of taxpayer.

(1) Act approved February 1, 1850, Georgia Laws 1849, p. 378.

*AN ACT—Supplementary to the General Tax Laws, and to Tax Certain Property therein mentioned which has been heretofore Exempted from Taxation.*

SEC. 1. *Be it enacted by the Senate and House of Representatives of the State of Georgia, in General Assembly met*, That the President of the Georgia Railroad shall, on or before the thirty-first day of December, 1850, pay into the Treasury of this State, as a tax for the year 1850, on oath, one-half of one per cent. on the next annual income of the stock of said Road and its branches, under the penalty of double tax for his refusal or neglect to do so, to be collected by execution to be issued by the Treasurer.

SEC. 2. *And be it further enacted*, That the increase of capital of the Georgia Railroad and Banking Company, authorized by the Act of the present session of the General Assembly, be and the same is hereby taxed thirty-one and a quarter cents on every hundred dollars worth.

\* \* \*

SEC. 5. *And be it further enacted*, That each and every of the Presidents of the aforesaid Railroad Companies shall make like payments on the thirty-first day of December in each and every year hereafter, until this Act shall be repealed: *Provided*,



That no banking capital employed by the Georgia Railroad and Banking Company, and the Central Railroad and Banking Company, shall, by any construction of this Act, be exempt from future taxation, at the discretion of the Legislature, and the tax on net profits only be on the net profits of the Railroad.

(2) Act approved February 28, 1874, Georgia Laws, p. 107, as amended and now codified in Code Sections 92-2602, 92-2603, and 92-2604.

"92-2602. (1032) Presidents to make returns.—The presidents of all the railroad companies, including street railroads, dummy railroads, and electric railroads in this State shall be required to return on oath, annually, to the Comptroller General, the value of the property of their respective companies, without deducting their indebtedness; each class or species of property to be separately named and valued, so far as the same may be practicable, to be taxed as other property of the people of the State; and said returns shall be made under the same regulations provided by law for the returns of officers of other incorporated companies, which are required by law to be made to the Comptroller General: Provided, that the said railroads shall be taxable for city purposes as other property is taxed for city purposes, and any law making railroad companies taxable by counties will be applicable, to street railroad companies of every character. (Acts 1874, p. 107; 1889, p. 36.)

"92-2603. (1033) Presidents to pay taxes assessed.—Said presidents shall pay to the Comptroller General the taxes assessed upon the property of said railroad companies; and on failure to make the returns required by the preceding section, or on failure to pay the taxes so assessed, the Comptroller General shall proceed to enforce the collection of the same in the manner provided by law for the enforcement of taxes against other incorporated companies. (Acts 1874, p. 107.)

"92-2604. (1034) Illegality to resist tax; venue.—If any railroad company affected by the preceding sections desires to resist the collection of the tax therein provided for, said company through its proper officer may, after making the

return required in section 92-2602, and after paying the tax levied on such corporation and continuing to pay the same while the question of its liability herein is undetermined, resist the collection of the tax above provided for, by filing an affidavit of illegality to the execution or other process issued by the Comptroller General, stating fully and distinctly the grounds of resistance, which shall be returnable to the superior court of Fulton County, to be there determined as other illegalities; the same to have precedence of all cases in said court as to time of hearing, and with the same right of motions for new trial and writs of error as in other cases of illegality, in which case the Comptroller General shall be represented by the Attorney General of the State. If the grounds of such illegality are not sustained, the Comptroller General shall, after crediting the process aforesaid with the amount paid, proceed to collect the residue due under the provisions aforesaid; and if, at any time during the pendency of any litigation herein provided for, the said corporation shall fail to pay the tax required to be paid as a condition of hearing, said illegality shall be dismissed, and no second affidavit of illegality shall be allowed. Said illegality may be amended as other affidavits of illegality, and shall always be accompanied by good bond and security for the payment of the tax execution issued by the Comptroller General. (Acts 1874, p. 107; 1931, pp. 7, 38.)"

(3) Act approved February 22, 1877, Georgia Laws 1877, p. 126, as amended and as now codified in Sections 92-5904, 92-6001 and 92-6002 of the Georgia Code of 1933.

"92-5904. (1050) Returns to be itemized.—When corporations, companies, persons or agencies are required by law to make returns of property, or gross receipts, or business, or income, gross, annual, net, or any other kind, or any other return, to the Comptroller General for taxation, such return shall contain an itemized statement of property, each class or species to be separately named and valued, or an itemized account of gross receipts, or business, or income as above

defined, or other matters required to be returned, and in case of net income only, an itemized account of gross receipts and expenditures, to show how the income returned is ascertained. (Acts. 1877, p. 126; 1905, p. 68)."

"92-6001. (1050). Assessment to correct returns.—The Comptroller general shall carefully scrutinize the returns made to him, and if in his judgment the property embraced therein is returned below its value, or the return is false in any particular, or in any wise contrary to law, he shall within 60 days thereafter correct the same and assess the value, from any information he can obtain. (Acts 1877, p. 126; 1905, p. 68)."

"92-6002. (1045, 1050). Arbitration of assessments to correct returns.—In all cases of assessment or correction of returns, as provided in section 92-6001, the officer or person making such returns shall receive notice and, if dissatisfied with the assessment or correction of returns, shall have the privilege, within 20 days after such notice, to refer the question of the true value or amount to arbitrators—one chosen by himself and one by the Comptroller General—who, in case of disagreement, may choose an umpire. If the two arbitrators, disagreeing, fail to select an umpire within 30 days after receiving notice of their appointment, the Governor shall appoint two arbitrators, who, with the arbitrator selected by the officer or person making the returns, shall determine the question as to the amount or value. Every arbitrator or umpire chosen hereunder shall be a citizen of Georgia. The award shall be made within 30 days from the appointment of the umpire or, in case no umpire is chosen, within 30 days from the appointment of arbitrators by the Governor; and their award shall be final. (Acts 1877, p. 126; 1878-9, p. 166; 1905, p. 68.)"

(4) Act approved October 16, 1889, Georgia Laws 1889, p. 29, now codified in Code Sections 92-2701, 92-2702, 92-2703, 92-2704, 92-2705, 92-2706.

"92-2701. (1036) Railroads to report to Comptroller General annually.—On or before the first day of March each railroad



company in this State shall make an annual return as of January first preceding to the Comptroller General, for the purposes of county taxation in each of the counties through which said road runs, in the following manner: Said return shall be under the oath of the president or other chief executive officer, and shall show the following facts as they existed on the first day of January preceding, to-wit: first, the aggregate value of the whole property of said railroad company; second, the value of the real estate and track-bed of said company; third the value of the rolling stock and all other personal property of said company; fourth, the value of the company's property in each county through which it runs. (Acts 1889, p. 29; Const., Art. VII, Sec. II, Par. VI (§2-5007).)

"92-2702. (1037) Taxation by each county through which railroad passes.—Whenever the amount of the tax levy of any county through which the said railroad runs is assessed by the authority of such county, the ordinary or other authority having charge of county affairs shall certify the same and transmit the certificate to the Comptroller General; and the property of such railroad company shall be subject to taxation in each county through which the road passes, to the same extent and in the same manner that all other property is taxed, in the manner hereafter set out. (Acts 1889, p. 29.)

"92-2703. (1038) Property assessed.—Whenever such certificate is received by the Comptroller General, he shall proceed to assess the amount of each railroad company's property, in each of said counties, in the following manner: First, it shall be assessed upon the property located in each county, upon the basis of the value given by the returns. Second, the amount of tax to be assessed upon the rolling stock and other personal property is as follows: As the value of the property located in the particular county is to the value of the whole property, real and personal, of the said company, such shall be the amount of rolling stock and other personal property to be distributed for taxing purposes to such county. The value of the property located in the county and the share of the rolling



stock and personal property thus ascertained, and apportioned to each of such counties, shall be the amount to be taxed to the extent of the assessment in each county. (Acts 1889, p. 29.)

"92-2704 (1039) Taxes due county paid tax collector.—Whenever the Comptroller General shall ascertain and levy in the manner specified the amount of tax due by such company to each of such counties, it shall be his duty at once to notify the president and treasurer of such railroad company of the amount due in each of said counties for county taxes of said railroads, and each and every road is required, on or before December 20th in each year, to pay to the tax collector of each county through which the railroad runs the amount stated by the Comptroller General as the tax due to such county. (Acts 1889, p. 29; 1917, p. 195.)

"92-2705. (1040) Manner of issuing executions.—If any railroad company shall refuse to pay the amount thus ascertained and due by it to the tax collector of any county to which the same is due and payable, it shall be the duty of the Comptroller General to issue and execution in the name of the State against such railroad company for the same, to be issued, levied, and returned in the same manner as tax executions are issued for State taxes due in the State by said companies. (Acts 1889, p. 29.)

"92-2706. (1041) Affidavit of illegality to resist tax.—If any railroad company desires to dispute its liability to such county tax, it may do so by an affidavit of illegality, to be made by the president of said railroad or other officer thereof having knowledge of the facts in the same manner as other affidavits of illegality are made, and shall be returned for trial to the superior court of the county where such tax is claimed to be owing and where it is sought to be collected, where such cases shall be given precedence for trial over all other cases, except tax cases in which the State shall be a party. (Acts 1889, p. 29; 1916, p. 34; 1927, p. 136.)"

(5) Act approved December 24, 1890, Georgia Laws 1890-1891, p. 152, codified in Code Sections 92-2801, 92-2802, and 92-2804.

"92-2801. (872) Property of railroads subject to municipal taxation.—All property, real and personal, belonging to railroad companies in this State, which is within the limits of any municipal corporation, shall be subject to taxation by the said municipality as fully and as completely as is the property of other corporations within the limits, and it is the duty of the municipal authorities to cause property belonging to a railroad company to pay its proper and just share of municipal taxes. (Acts 1890-1, p. 152.)

"92-2802. (873) Return to show what.—In addition to the facts required to be shown by Chapter 92-27, providing a system of railroad property taxation in each of the counties, every railroad company in this State shall, at the time of making the returns provided for in said Chapter, show the value of the company's property in each incorporated city or town through which it runs. (Acts 1890-1, p. 152.)

"92-2804. (875) County tax law applicable.—All other provisions of Chapter 92-27 are made applicable to the assessment and collection of taxes by municipalities upon the property of railroads located in such municipalities, and upon the rolling stock and other personal property. (Acts 1890-1, p. 152.)"

(6) Act approved August 14, 1908, now codified in Sec. 92-6005, Code of 1933.

"92-6005 (1054) Returns of railroad companies for county, municipal, and school tax purposes.—The returns of railroad companies for purposes of county and municipal and school taxation shall be subject to the same inspection, objection and assessment by the Comptroller General, and arbitration, as is provided by law for returns of such property for purposes of State taxation (Acts 1908, p. 24)."

(7) Act approved July 31, 1918, now codified in Chapter 92-61 of the Code of 1933.

"92-6101. Undervaluation of property or failure to return.—When the owner of property has omitted to return the same for taxation at the time and for the years the return should have been made, or, having returned his property or part of same, has grossly undervalued the property returned, or his property has been assessed for taxation at a figure grossly below its true value, such owner, or, if dead, his personal representative or representatives, shall return the property for taxation for each year he is delinquent, whether delinquency results from failure to return or from gross undervaluation, either by the delinquent or by assessors, said return to be made under the same laws, rules and regulations as existed during the year of said default, or the year in which said property was returned or assessed for taxation at figures grossly below its true value: Provided, that no lien for such taxes shall be enforced against any specific property which has been previously alienated or incumbered, and is in the hands of innocent holders without notice. (Acts 1918, p. 232.)

"92-6102. Notice and demand by Comptroller to file return.—When the owner of said property, or, if dead, his personal representative or representatives; refuses or fails to make returns in cases of property which should have been returned to the Comptroller General, the Comptroller General shall notify, in writing, such owner or his personal representative or representatives of his delinquency, demanding that a return shall be made thereof within 20 days. (Acts 1918, p. 233.)

"92-6103. (1136) Assessment of value by Comptroller; issue of excessiveness.—If the delinquent or his personal representative or representatives, as provided for in section 92-6102, refuses or fails to return such property after the notice given, or returns it below what the Comptroller General deems its value, the Comptroller General shall assess such property for taxation for State, county, or municipal and school purposes, from the best information he can obtain as to its value, for the



current year, and for each year in default, and notify such delinquent or his personal representative or representatives of the valuation, which valuation shall be final, unless the person or persons so notified shall raise the question that it is excessive, in which event the further procedure shall be as provided by section 92-6001. (Acts. 1918, p. 233)

"92-6104. Issue of taxability, where tried.—If the delinquent under section 92-6102 disputes the taxability of such property, he may raise the question by petition in equity in the superior court of Fulton county, and if such delinquent is dead, his personal representative or representatives shall have the same right. (Acts. 1918, p. 234.)"

(8) Act approved August 25, 1927, Georgia Laws 1927, p. 97, now codified in Sec. 92-5902 of the Code of 1933.

"92-5902. Returns by public utilities made to whom.—All persons or companies owning or operating railroads . . . shall be required to make annual tax returns of all property located in this State to the Comptroller General; and the laws now in force providing for taxation of railroads in this State shall be applicable to the assessment of taxes on the businesses above stated."

(9) Act approved March 30, 1937, Georgia Laws 1937, p. 497, codified in Sec. 92-5811 of the Code of 1933.

"92-5811. Unreturned and undervalued personal property to be assessed.—Where the owner of such property has omitted to return such property for taxation at the time and for the year that return should have been made, or, having returned such property, has grossly undervalued same, the Commission through its deputies or agents shall require such delinquent or defaulting taxpayer to make a proper return, or return the omitted property, and the same shall be assessed in the manner and method prescribed in Chapter 92-61. (Acts 1937, p. 497.)"

(10) Reorganization Act approved January 3, 1938, Georgia Laws Extra Session 1937-1938, p. 77.

"Section 4. The State Revenue Commissioner . . . is hereby vested with all the powers and authority and required to perform all the duties relating to matters of petroleum inspection, taxation and licenses heretofore vested in the Comptroller General (except licenses to insurance companies and their agents) and he is also vested with all the powers and authority and required to perform all the duties relating to taxation and licenses heretofore vested in any state administrative officer or State Department, but the powers and authorities by this section vested in the State Revenue Commissioner shall be the powers and authorities of said officers as modified, limited and enlarged by this Act."

(Sections 18 through 23 create a Board of Tax Appeals and provide for its procedure.)

"Section 24. Repeal of Certain Code Sections.—The following provision of Title 92 ("Public Revenue") of the Georgia Code of 1933 are hereby repealed. Sections 92-6001-92-6007, inclusive, relating to arbitration of assessments or correction of returns made by the Comptroller General, and 92-7004-92-7006, inclusive, relating to arbitration of State Revenue Commission's equalization of County assessments.

"Section 34. Refunds.

"(b) Procedure for Granting. In any case in which it shall be determined that an erroneous or illegal collection of tax or license has been made by the Commissioner, the taxpayer from whom such tax or license was collected may file a claim for refund with the said Commissioner in writing and in such form and containing such information as the Commissioner may require, to include a summary statement of the grounds upon which the taxpayer relies. In the event the taxpayer desires a

conference or hearing before the Commissioner in connection with any claim for refund, he shall so specify in writing in the claim, and if the claim conforms with the requirements of this section the said Commissioner shall grant such a conference at a time he shall specify. The Commissioner shall consider information contained in taxpayer's claims for refund and such other information as may be available and shall approve or disapprove the taxpayer's claim and notify such taxpayer of his action. In the event any claim for refund is approved, the Commissioner shall forthwith proceed under subsection (a) of this section to give effect to the terms thereof. Provided, further, that the taxpayer whose claim for refund is denied by the Commissioner under the terms of this Act, shall have the right to sue for refund in the Superior Court of the County in which said taxpayer would have a right to appeal from a judgment by the Board of Tax Appeals, as in this Act, provided.

...  
"Section 44. Appeal from the Commissioner's Findings. The Commissioner's assessment shall not be reviewed except by the procedure hereinafter provided; no trial court shall have jurisdiction of proceedings to question such assessments except as in this Act provided. If any taxpayer shall be aggrieved by any assessment which the Commissioner may make, he may, within thirty (30) days from the date when the assessment is finally made and notice thereof given to the taxpayer file with the Board of Tax Appeals a petition for review. The request for review may be accompanied by a copy of the taxpayer's return as filed with the Commissioner and of any special accounting or other report thereon which the Commissioner may have made or required to be made. Both the Commissioner and the taxpayer shall have the right to introduce before the Board of Tax Appeals any evidence or data which said Board may rule to be pertinent or relevant, whether it was introduced originally before the Commissioner or not. The filing of any such petition shall not abate penalties for nonpayment unless such appeal is finally decided in favor of



the taxpayer, nor shall it stay the right of the Commissioner to collect the tax which is admitted to be due, by any methods available to him under the law, unless the taxpayer shall furnish security of a kind and in amount satisfactory to the Commissioner. Where the Commissioner is required by law to certify to any county or municipal government of this State all or any part of an assessment or tax against any taxpayer, and the taxpayer disputes the correctness of said assessment or tax as determined by the Commissioner, the Commissioner is hereby directed to certify to said county and municipal government the value of the property of the taxpayer and/or the tax admitted by him in his return to be due, and after a final determination of the balance of said assessment or tax in dispute shall make a supplemental certification to said counties and municipal governments as may be finally determined. It shall be the duty of the taxpayer to pay, as required by law, any taxes that may be assessed by the State, county or municipal governments, both upon the original value as shown in his return as well as upon its supplemental value that may finally be determined as in this Act provided.

"Section 45. Review of Board's decisions. Jurisdiction of the Superior Courts. The findings of the Board of Tax Appeals shall not be final; but either party may appeal from any order, ruling, or finding of the said Board to the Superior Court of the county of the residence of the taxpayer unless the taxpayer be a railroad or other public service corporation or non-resident, in which even the appeal of either party shall be to the Superior Court of the County in which is located its principal place of doing business, or in which the chief or highest corporate officer, resident in the State, maintains his office. The appeal and necessary records shall be certified and transmitted by the Chairman of the Board and shall be filed with the Clerk of the Superior Court within thirty (30) days from the date of judgment by the Board. The procedure provided by law for applying for and granting appeal from the Court of Ordinary to the Superior Court shall apply as far as suitable to the appeal authorized herein, except that the appeal authorized

herein may be filed within fifteen (15) days from the date of judgment by the Board.

"Before the Superior Court shall have jurisdiction to entertain such appeal filed by any aggrieved taxpayer, such taxpayer shall file with the Clerk of the Superior Court a writing whereby such taxpayer shall agree to pay on the date or dates the same shall become due all taxes for which such taxpayer has admitted liability and shall within thirty (30) days from the date of judgment by the Board file with the Clerk of the Superior Court, except where appellant owns real property in Georgia, the value of which is in excess of the amount of the tax in dispute, a bond in amount satisfactory to such Clerk or other security in amount satisfactory to such Clerk conditioned to pay any tax over and above that which the taxpayer has admitted liability for which shall be found to be due by a final judgment of court, together with interest and costs. It shall be ground for dismissal of the appeal if the taxpayer fails to pay all taxes admittedly owed upon the due date or dates, as now or hereafter provided by law.

"If the final judgment of court places upon the taxpayer any tax liability which he has not already paid, he shall pay the same on the due date or dates now or hereafter fixed by law if the tax or any of same has not become due on the date of said final judgment of court. And if the tax or any of same has already become due at the time of final judgment of court, the taxpayer shall immediately pay the tax or so much thereof as has already become due, with interest, and shall pay the court costs, in the event the final judgment of court is adverse to the taxpayer, no matter whether the tax or any part of same has or has not become due at the time of said final judgment of court."

(11) Act approved February 17, 1943, Georgia Laws 1943, p. 204.

"Section 2. That said Act of January 3, 1938, be, and the same is hereby further amended by striking and repealing all

Sections 18, 19, 20, 21, 22, 23 and 24 of Chapter III thereof, which said sections create a State Board of Tax Appeals, and provide for the review of decisions of the State Revenue Commissioner, and substituting in lieu thereof new sections to be numbered section 18, section 19, and section 20, which shall read as follows:

"Section 18. Except as otherwise provided by this Act, all matters, cases, claims and controversies, of whatsoever nature arising in the administration of the revenue laws, or in the exercise of the jurisdiction of the State Revenue Commissioner or the Department of Revenue, as conferred by this act, shall be for determination by the State Revenue Commissioner, subject to review by the courts as provided for by Section 45 of Chapter IV of this Act. The effect of this section shall be that, except as hereinafter provided, all final rulings, orders and judgments of the State Revenue Commissioner shall be subject to appeal and review under Section 45 of this act in the same manner, under the same procedure, and as fully, as if same had been considered and passed upon by the Board of Tax Appeals. Any such appeal from a final ruling, order, or judgment of the State Revenue Commissioner shall be entered within the time prescribed by Section 45 of the Act; Provided, however, that nothing herein contained, and no provision of this Act, shall be construed to deprive a taxpayer against whom an execution for taxes has been issued under an assessment by the State Revenue Commissioner of the right to resist enforcement of the same by affidavit of illegality.

"All petitions for review filed and now pending before the Board of Tax Appeals shall be and they are hereby declared to be in the same position as if the ruling, order, finding or assessment of the Commissioner therein complained of and sought to be reviewed had been affirmed by the Board of Tax Appeals; and all such rulings, orders, findings or assessments now pending for review before the Board of Tax Appeals shall be final and conclusive unless the taxpayer who filed said petition for review shall, within thirty (30) days from the date of the passage of this Act, appeal said ruling, order, finding or assess-



ment to the Superior Court in the manner provided by Code Section 92-8446, except that in the case of a foreign corporation domesticated in Georgia the appeal shall be made within the time herein prescribed to the Superior Court of the County in which such foreign corporation was domesticated in Georgia.

“Section 19. The provisions of the foregoing section with reference to reviewing assessments of the State Revenue Commission shall not apply to assessments for ad valorem taxation against any person, corporation or company which was required by Chapter 92-59 of the Code of 1933 to return his or its property for ad valorem taxation to the Comptroller General and is now required by such chapter and this Act of January 3, 1938, to make such returns to the State Revenue Commissioner. The State Revenue Commissioner shall carefully scrutinize such returns made to him, and if, in his judgment the property embraced therein is returned below its value or the return is false in any particular, or in any wise contrary to law, he shall, within sixty days thereafter, correct the same and assess the value, from any information available. If any such person, corporation or company shall be dissatisfied with the assessment or correction of such returns as made by the State Revenue Commissioner or the Department of Revenue, such taxpayer shall have the privilege, within twenty days after notice of such assessment and correction, to refer the question of true value or amount to arbitrators as provided for by Chapter 92-60 of the Code of Georgia of 1933. Such arbitrators shall consist of one chosen by the taxpayer and one chosen by the Governor. If the arbitrators thus chosen shall be in disagreement, they shall choose an umpire. If such arbitrators disagree and fail to select an umpire within thirty days after receiving notice of their appointment, the Chief Justice of the Supreme Court of Georgia shall select an umpire. Every arbitrator or umpire chosen hereunder shall be a citizen of Georgia. The award shall be made by the arbitrators or by the arbitrators and the umpire, as the case may be, within thirty days from the appointment or selection of such umpire. The decision and award of the arbitrators or of the arbitrators and

the umpire shall be subject to appeal and review in the same manner as decisions and orders of the State Board of Tax Appeals were subject to appeal and review under the terms of Section 45 of This Act.

"Section 20. Sections 92-7004 to 92-7006 of the Code of Georgia of 1933, which relate to arbitration of State Revenue Commission's equalization of county assessments are hereby repealed. Chapter 92-60 (Section 92-6001 to 92-6007) of the Code of Georgia of 1933, as modified by the provisions of the foregoing Section 19, shall continue and remain in full force and effect as if fully set forth herein."

"Section 3. All laws and parts of laws in conflict with this Act are hereby repealed."

### III. Constitution provision attempting to revoke tax exemptions.

- (1) Article I, Section 3, Paragraph II of the Constitution of Georgia as amended in 1945, Georgia Laws 1945, p. 14.

"Paragraph II: Revocation of tax exemptions. All exemptions from taxation heretofore granted in corporate charters are declared to be henceforth null and void."

### IV. Constitutional and statutory provision authorizing Attorney General to represent State in prior litigation, as set out in Georgia Code of 1895.

- (1) Constitution of Georgia of 1877, Article VII, Section 10, Paragraph II, Code Sec. 5860(a).

"Section 5860(a).

"It shall be the duty of the attorney-general to act as the legal adviser of the Executive Department, to represent the

State in the Supreme Court in all capital felonies, and in all civil and criminal cases in any court when required by the Governor, and to perform such other services as shall be required of him by law."

(2) Code provisions, Georgia Code of 1895.

"Sec. 23. When any suit is instituted against the State, or against any person, in the result of which the State has an interest, under pretense of any claim inconsistent with its sovereignty, jurisdiction or rights, the Governor shall, in his discretion, provide for the defense of such suit, unless otherwise specially provided for."

"Section 220. It shall be the duty of the Attorney-General . . . to represent the State . . . in all civil and criminal cases in any court when required by the Governor."

"Sec. 123. He (the Governor) shall have general supervision over all property of the State, with power to make all necessary regulations for the protection thereof, when not otherwise provided for."

"Sec. 126. Whenever the Governor, after consulting with the attorney-general, or without, if there is no such officer, shall deem it proper to institute a suit for the recovery of a debt due the State or money or property belonging to the State, he is authorized and required to institute such suit in the proper court of this State, with the same rights as any citizen, and to require the aid of the attorney-general to begin and carry on such suits where practicable, and if not, some other suitable and competent attorney, on such terms, as to compensation, as he may agree upon, but the fees of such attorney shall be conditional."

Sec. 187. Whenever the Governor has trustworthy information that the State Treasurer or comptroller-general is insane, or has absconded, or grossly neglects his duties, or is guilty of conduct plainly violative of his duties, or demeans himself in office to the hazard of the public funds or credit of the



State, the Governor shall suspend said treasurer, or comptroller-general, as the case may be, and report his reasons for such suspension to the General Assembly. Said suspension shall continue until the General Assembly shall otherwise direct."

"Sec. 139. The Governor may suspend the collection of the taxes, or any part thereof, due the State, until the meeting of the next General Assembly, but no longer; nor shall he otherwise interfere with the collection thereof."

"Sec. 222. It is in the discretion of the Comptroller General to require the Attorney General, when the services of a Solicitor General are necessary in collecting or securing any claim of the State, in any part of the State; either to command the services of said Attorney General in any and all such cases, or the Solicitor Generals in their respective circuits."